Daily Report

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Brazil

The voting session on the impeachment request against President Collor will be "held only once, through a nominal open voting system" in the Chamber of Deputies, Brasilia radio reports. Chamber of Deputies President Ibsen Pinheiro announced the decision which also granted Collor "five congressional sessions—which expire at 1700 on 15 September—to present his defense." Deputy Gastone Righi claimed Pinheiro "committed an ignominious act" and "suppressed the right of defense of the president," according to Brasilia radio. "It is absurd" that Collor was not granted "an equivalent period of time for his defense" as "any criminal."

Rio de Janeiro TV reports Presidential Spokesman Etevaldo Dias said Pinheiro "created a law" with his decision which was based on a "part of Law No. 1079" and "an inspiration" from a "chapter of the Constitution." "The lack of a legal foundation, and the act in which it was conceived, surprised the president," he noted.

Cuba

Havana Radio and TV carries the live ceremony in Cienfuegos of the 39th anniversary of the 26 July Assault on the Moncada Barracks. Fidel Castro is the main speaker. Castro states that the 26 July commemorations were postponed until 5 September "because this time I had unavoidable international commitments..." He states that "The disappearance of the socialist bloc was, in fact, a great tragedy for our country. The disintegration of the USSR was an even greater tragedy and some day history will demand that the offenders take responsibility for this..." and that "the disappearance of socialism in the USSR has done extraordinary damage, and will continue to cause us extraordinary damage for an indefinite time." Castro announces the discontinuation of the construction of the Juragua Nuclear Power Plant, "We have had no choice but to stop the construction of this project—one of the most important to Cienfuegos, and possibly one of the most important to the country."

Ecuador

Madrid EFE reports that media across the country have reported that due to the government's "recent economic adjustment measures and the increase in crime" in the cities, Ecuador is "militarized and in a virtual 'state of siege.'" The government issued a decree which states that "all over the country...vandalism continues," and in addition to attacks on people there is "considerable damage to private and public property." HOY newspaper states the "mobilization" of the Armed Forces is a result of the government's fear of "possible disorders" like those Venezuela experienced in 1991 after price hikes were issued to which the people "reacted violently."

Colombia

Mexico City NOTIMEX reports that "due to the new guerrilla offensive," the government announced the "indefinite suspension of peace talks" which were scheduled to resume next month in Mexico. "There is no atmosphere or opportunity for the dialogue," Government Minister Humberto de la Calle said, in view of the "recently launched" "harsh nationwide military campaign" which has caused casualties and economic loss.

Legislators Condemn Torricelli Bill

FL0409163692 Havana Radio Reloj Network in Spanish 1404 GMT 4 Sep 92

[Text] Legislators from four South American countries have condemned the bill to tighten the U.S. embargo against Cuba which is being debated by the U.S. Congress. In a letter to House Speaker Tom Foley, deputies from Chile, Bolivia, Argentina, and Uruguay expressed their concern regarding the possible approval of the bill introduced by Democratic Representative Robert Torricelli.

The letter of protest states that the tightening of the embargo will not help in the least to improve or solve the situation of Cuba because it will only result in more suffering for the Cuban people. In the opinion of the South American legislators, the U.S. plan to sanction nations trading with Cuba violates market freedom and infringes upon the right to self-determination of other nations.

* Central American Economy Ministers on NAFTA

92CA0204A Mexico City LA JORNADA in Spanish 22 Aug 92 p 25

[Article by Lourdes Cardenas]

[Text] Managua, 21 Aug—According to statements made here by the ministers of economy of Guatemala, El Salvador, Costa Rica, and Nicaragua, the Central American countries will invoke the Free Trade Agreement membership clause once bilateral negotiations with Mexico on the issue of the liberalization of commercial trade have been concluded.

These countries' membership in the biggest market in the world would be based on "respect" for their individual characteristics, meaning that the weakness of their economies would be recognized.

Negotiations would be conducted as a bloc because "the United States has indicated that it would prefer to negotiate with an entire region rather than bilaterally," according to Salvadoran Minister of Economy Arturo Zablah.

The Central American countries' membership in the Free Trade Agreement basically responds to the need to attract investments, inasmuch as between the time the treaty is ratified by the American Congress and the initiation of Central America's negotiations with the United States, "a great deal of capital could go to other parts of the world."

It is equally possible that "Central America will gradually lose its ability to compete and disappear from foreign investors' maps. This is why the treaty is very important to us," the Salvadoran minister emphasized.

He noted that not only is it a matter of investments, but also of the transfer of technology, the creation of jobs, and the chance to earn better wages.

Advantages for the United States, Canada, and Mexico would include those flowing from investments resulting in a vertical integration of productive processes, in addition to the fact that labor in the region is far cheaper than in Mexico.

More than optimistic, Guatemalan Minister of Economy Juan Luis Miron said his country "is ready" to join the American market. "Guatemala has already signed the Framework Treaty with the United States, and we are involved in commercial negotiations with that country's trade representative, Carla Hills." However, "we already enjoy many advantages with the United States, which has unilaterally extended many tariff privileges to us through the incorporation of many products into the General Preference System (SGP)."

In order to consolidate these advantages, Guatemala needs to join NAFTA, but must first negotiate the liberalization of products with Mexico. "For us," Miron said, "the process with Mexico is very important because a large number of products face nontariff barriers on the Mexican market."

As an example, he cited exports of Guatemalan sugar, which were confronted with the imposition of a safeguard by the Mexican Government. "It is ridiculous for Mexico to be buying Guatemalan sugar on the New York Stock Exchange because this only increases the cost!"

For his part, Costa Rican Minister of Economy Gonzalo Fajardo said, "We have accepted the challenge of improving the quality of our products in order to have an opportunity to penetrate American markets.

"To do this," he emphasized, "the region is moving toward a process of specialization that allows it to identify comparative advantages and to produce more and better products that are our strength. In other words, we will stop producing small quantities of poor products."

Costa Rica will "speedily" negotiate with Mexico, and once the American Free Trade Agreement has been approved—which could happen this year or early next year—"we shall invoke the membership clause, so that our region will be allowed in as soon as possible."

Cuba

Moncada Barracks Anniversary Ceremony Described

FL0509232992

[Editorial Report] Havana Radio and Television Networks in Spanish at 2220 GMT on 5 September begins live tranmission of the celebration in Cienfuegos commemorating the 39th anniversary of the 26 July Assault on the Moncada Barracks and the 35th anniversary of the Cienfuegos uprising at the Media Center.

At 2225 GMT Fidel Castro arrives. The national anthem is played, flags are displayed, and Castro and others are shown on the platform. The master of ceremonies opens the event by introducing special guests including the president of the Vietnamese Front who Castro embraces. The mayor of Cadiz, Andalusia Province, greets Castro. Included on the platform are veterans of the 26 July Moncada Barracks attack, athletes from the Barcelona Olympics, the diplomatic corps, and representatives of revolutionary parties and Cuban organizations. In front of the dais are representatives of provincial contingents, outstanding workers, including employees of the Juragua Nuclear Power Plant. Massed behind them are the people of Cienfuegos.

At 2233 GMT Castro begins presenting awards to outstanding workers from various sectors.

At 2237 GMT the mayor of Spain's Puerto Real, Jose Antonio Barroso Toledo, begins speaking. He expresses solidarity with Cuba, and laments U.S. meddling Cuban affairs. He cites the rampant hunger in the hemisphere, including Mexico and Peru, and all of Latin America. He says "hard times" are evidenced by the fact that hunger has become a strategic activity of the First World to increase the dependency of underdeveloped countries. The "empire" is making great efforts to keep news of Cuba's achievements from reaching the ears of other Third World nations. The mayor describes conditions in the poor neighborhoods of the United States and the lack of mandatory education in Spain. He urges that those who love Latin America must tear off the "mantle of silence." He pledges Spain's solidarity with Cuba.

At 2256 GMT Castro begins speaking.

Fidel Castro Speaks

PA0609015792 Havana Radio and Television Networks in Spanish 2256 GMT 5 Sep 92

[Speech by Fidel Castro Ruz, president of the Cuban Councils of State and Ministers, at a ceremony marking the 39th anniversary of the attack on the Moncada Barracks and the 35th anniversary of the Cienfuegos uprising at the Media Center in Cienfuegos—live]

[Text] Relatives of the combatants of 26 July and of 5 September, distinguished guests, glorious athletes, people of Cienfuegos [applause], fellow countrymen: As usual, we have a little problem we have been unable to solve. We cannot see some of the people at this rally because they are behind that wall of reporters and cameras [applause]. Apparently, we have not yet invented a way of doing this while leaving the area open so we can see the public. I hope, comrades whom I cannot see, that you will be patient and perhaps this will be repeated on television and then you will see this better. I apologize for this. Nonetheless, you can hear me, right? [crowd shouts: yes] You are well there? [applause] Good.

As we all know, today we commemorate a double event. The 26th of July and the 5th of September. This is the first time we have not commemorated 26 July on its exact date. Some observed that I have been present at all 26 July commemorations, but because this time I had unavoidable international commitments, they decided to postpone the 26 July celebrations. It is a great honor, but not exactly a great favor. One could have considered that since I have spoken at all 26 July celebrations of the Revolution, I could be spared this one time. [crowd shouts: no]

Then, there is also the coincidence that Cienfuegos gained the merit of being the site for the 26 July commemoration, which is a national festivity, and Cienfuegos was the site of the great, historical action of 5 September. On that day in 1957, we were still fighting in the city of Cienfuegos. It was a truly decisive, fierce battle.

The 26 July commemoration was assigned to Cienfuegos and since 5 September was close, Cienfuegos has had the privilege of celebrating two great historical events. [applause]

Cienfuegos won this privilege because of its work, efforts, and struggle. It was not that the others have not made important efforts. It was truly not easy to pick a province, but we picked Cienfuegos. This province faced the most difficult 26 July in the history of the Revolution and the most difficult 5 September in the history of the Revolution. We do not know how many new difficulties we might have to confront.

I ask you, however, are we facing them? [crowd answers: no] I ask you if we are willing to confront the difficulties and problems that might arise? [crowd answers: yes] That is, of course, the answer of the Cienfuegos people and I am also sure it would be the answer of all our compatriots because Cienfuegos has its history; a history rich in merits and patriotism.

Since the war of 1868, during which very important battles were waged, and the war of 1895, and throughout the Republic...[pauses] Well, now that I mentioned the war of 1895, we must not forget that the most famous battle of that war was fought in Cienfuegos. That was the war fought amid bad weather when the invading forces of Maceo destroyed an enemy column.

As I was saying, throughout our neocolonial history, Cienfuegos was always in the frontlines of patriotic and

revolutionary struggles. It was present in the last liberation war with its heroic deed of 5 September. It was present in the struggle against the bandits and in the struggle against mercenaries of the Bay of Pigs. Forces were deployed from Cienfuegos to fight the mercenaries. Cienfuegos has always been ready to fight; Cienfuegos has maintained a firm stance at all moments of the history of the revolution.

Cienfuegos is currently involved in exemplary work. I asked Comrade Nelson [not further identified] what were, in his opinion, the most interesting things to highlight at this celebration in Cienfuegos. He told me the active participation of the people and of the masses in problem-solving tasks was the most interesting. [applause]

Cienfuegos has thus achieved palpable results in facing difficulties—it reached its harvest goal and even went beyond it; it fulfilled its cultivation of sugarcane and field-clearing tasks; it fulfilled production plans for roots and vegetables and even went beyond them. Its hog-breeding industry has faced very difficult problems because of a lack of grains and animal feed in the poultry industry.

Cienfuegos has confronted problems with services and resources, but it has managed to improve its gastronomic services. It has had excellent results with its health and educational programs.

Last year Cienfuegos had an infant mortality rate of 8.1 percent—one of the lowest in the country. I believe it was the second lowest, one of the two lowest in the country. It is achieving results in all of its activities. I can say Cienfuegos is an example of what should be done during the special period. [applause]

It is precisely here in Cienfuegos that the Revolution developed some of its most important industrial development programs. I have explained in the past that because it is near a bay, because of its geographical position and its ever present cooperation in all activities, some of the largest factories in the country were built here: The top fertilizer production industry and the top cement production industry.

Cienfuegos has multiplied its power generation capabilities, the construction material industry has developed considerably and we were totally immersed in our creative work—we were concluding the first phase of the Cienfuegos refinery, oil refinery, and the construction of the first electronuclear plant in the country—when this difficult period overtook us.

I can say that one of the provinces most affected in the area of industrial production during this special period is precisely Cienfuegos. Later I will again discuss this topic because I will not continue without pointing out that one of the characteristics of this event is its (?dual effect). We are honoring Cienfuegos' revolutionaries and I will also pay deserved homage to our glorious Olympic athletes, [applause] who achieved such extraordinary successes during the recent Olympics. I will not discuss this at length because we already spoke at the reception, and what was said there was published in the newspapers and was broadcast on television, which currently is our mass media par excellence.

It is enough to remember that they obtained more than twice the number of medals won by all of the Latin American and Caribbean countries together. It is enough to remember that they won twice as many gold medals won by the Latin American and Caribbean countries with Canada, which is a large country with considerable resources. They won seven times the number of gold medals won by all the other Latin American and Caribbean countries.

Therefore, as I said when I welcomed them—or a portion of them, because not all of them arrived together as some were already on vacation—I told them we had the privilege of ranking in first place in the world in gold medals per capita, according to our population. If the results of the Olympiads were measured according to the gold medals per capita of a country, we would be in first place in these Olympiads. [applause]

This country is in a special period, this country is blocked by the empire. Many are surprised. Many persons have sent us messages congratulating Cuba. They are surprised, they are marveled. With all the propaganda against our Revolution as Barroso was saying, with all the slander and lies, yet the world has had to admit what we can attain. These sports achievements are evidence of the social development of our people.

How many years would others need to achieve what we have attained? If there is no social change, if there is no social justice, if there is no social development, unfortunately our Third World brothers will never attain the laurels our people have reached in the field of sports.

Naturally, we must also consider social development and the revolutionary awareness of the people. The spirit, the awareness, and honor of the athletes have had great influence on these successes. In a highly commercialized world, certain athletes in certain sports events are offered so many things to buy them. There is not enough money nor will there ever be enough—as I told the athletes—to buy an athlete with honor and dignity, or to buy a revolutionary. [applause]

It is not only the techniques, but also the spirit that many times determines a competition. That is why we are still surprised that in the most recent Panamerican Games, we won more gold medals than the United States. This had never happened before in this hemisphere, never. We must admit that it was gold and gold medals for the honor, dignity, courage, honesty, and self-respect of our athletes and our people. [applause]

Therefore, I was urging them to start preparing now for the next Olympiad in spite of the special period and all the problems we may have—that way we are showing how much can be done with so little. The material wealth, the wealth of some countries—the wealth just a

few countries have accumulated based on the past and present exploitation of a large part of the country—is not enough for attaining the successes that a small Third World country like Cuba can attain with the Revolution.

I carefully listened to the words of the Puerto Real mayor, our friend Barroso. Barroso was well-known from the very first day he arrived in our country, when he spoke on television to explain the solidarity work his people were doing for Cuba. He said something very beautiful. He said material goods are not as important as the political solidarity with the Revolution. Nonetheless, we also appreciate these material goods, not because of their intrinsic value, but because of what they symbolize.

Comrade Chavez, president of the city of Havana people's government, was telling me that many of the ambulances of the city of Havana were operating with the tires they [the Spaniards] collected and sent to Cuba. The Spaniards' sentiments of friendship, which is great, extensive, and strong, were mobilized with the purpose of helping us in practical issues. As they say, they get everything they can obtain that can be useful for the country. In this case, the ship that brought their donations brought motors, buses, spare parts, oils, lubricants, medications, foods, a print shop, in other words, a long list of materials they collected throughout various parts of Spain.

Barroso explained to me it is easier when this is collected near a port than when it is collected from a city in the interior, far from the coast. It is than more expensive to transport many of these products. Aside from the intrinsic value, the message these donations bring is very stimulating. It is very stimulating to know that there are people in the world, and not just a few people in the world, who are worried about our problems and worried about helping us in these difficult moments.

Mandela, the African National Congress leader from South Africa, participated in the 26 July 1991 commemoration. Therefore, we thought it was a good idea on this 26 July and 5 September to have the participation of a solidarity friend, a symbol of the international solidarity with our country.

This is why we invited the mayor of Puerto Real, to have someone from that growing solidarity movement participate in this ceremony. His heartfelt words on the afternoon of 5 September were encouraging. It is encouraging to know there are many people like them in the world. It is encouraging to realize they view Cuba as a hope today. They view Cuba as a discordant voice, as he said, in a uniform world. He meant in a world where the powerful establish the guidelines; in a world where few dare to disagree openly with the empire's unipolar power.

He knows Cuba does not hesitate; he knows Cuba is firm; he knows Cuba is determined to fight. He cited a few examples that are very illustrative of the state of things in that First World, the Third World, and what he termed the Fourth World, which consists of the belts of misery that surround opulence formed by dozens of millions of people in the developed capitalist world. Perhaps later on we will touch on this idea.

The most important aspect of this commemoration is that it is being held during the special period; a serious, acute special period. In these times, we must remember our heroes and combatants of those revolutionary deeds. We must be very aware of what is at stake, that the entire history of this country is at stake. In this generation's struggle, we are risking the last drop of sweat and the last drop of blood spilled during our history—from 1868 to today. The independence of the Cuban nation is at stake. Not only the Revolution and socialism, but the Cuban nation is at stake, because we must decide if we are going to resign ourselves someday to lose socialism, the Revolution, our independence, and the nation.

This is an age-old struggle well-known throughout history. Those who know U.S. history know that the United States always wanted to own Cuba—almost from the earliest period of the U.S. Republic, almost from the first years following its independence. Also well-known is the story of the ripe fruit: Cuba was to fall in the hands of the United States like a piece of ripe fruit. The U.S. attempts to buy the island of Cuba is also well-known. Also known is the entire history of the Platt Amendment and the events in Puerto Rico, but the United States has not given up its dream of being the master—as it was for a long time—of our country. It is precisely the Revolution and socialism that freed us from this and for the first time truly gave us freedom, independence, and dignity. [applause]

We do not want to be something else. We do not want to be Yankees. We want to be what we are. Cuban, and Latin American, and internationalist. We want to speak Spanish. We want to keep our culture, despite the fact that we sometimes have to use English because we have no choice because it has become an international language. The English colonized a large part of the world and with the advent of the Yankee empire they turned English—which is really a rather simple language—into the language of international conferences. I repeat, we want to be what we are. It is a matter of knowing if we are going to continue being what we are or if we are going to lose forever the opportunity to be what we are and what we want to be. [applause]

This is what is at stake in this special period. This is what is at stake in our struggle. This is what is at stake in our resistance. Difficult times are difficult times. During difficult times, the number of hesitant individuals increases; during difficult times—and this is the law of history—some people are discouraged, some hold on, some give in, some betray and some desert, which has happened in all the eras and in all the revolutions.

In my opinion, however, it is during the difficult times that men and women are truly put to the test. It is during difficult times that you find out who is really worth something.

Difficult times are the best measure of each person; of each person's character; of each person's courage and

value; of each person's conscience; and of each person's virtues. Above all, the virtues of a people and patriotic and revolutionary virtues will never be lacking; have never lacked among these people and will never be lacking among these people. [applause]

We the revolutionaries, however, must be highly aware of the problems and difficulties. There are people who are not conscientious, there are people who do not understand, and there are even people who will never understand. There are people who do not understand the meaning of the fatherland and independence. There are people who do not understand history and the roots of a people. There are people who do not understand the meaning of patriotic and revolutionary dignity. There are people who do not understand this and we must fight against all those people.

Some (?might not realize) this is a struggle. The special period also involves a political struggle—against imperialism, its campaigns, and slogans. It [the United States] has never directed the hundreds of hours of radio transmissions against any other country as it did against Cuba. It has used a barrage of reactionary propaganda against the Cuban Revolution to weaken and soften it.

All the resources that the empire directed against the socialist countries and the international communist movement, they now devote to a single purpose: to fight Cuba, to weaken Cuba, to defeat Cuba, to crush Cuba. The capitalist mentality cannot accept the idea that the Cuban people have had the audacity to challenge them and carry out a revolution of moving forward. It can much less accept that Cubans are determined to forge ahead with the Revolution, even though the European socialist bloc sank. [applause]

They who have called us lackeys so many times, who have called us a satellite country so many times, cannot admit that we are the most independent people of the world. They refuse to admit we are the Earth's most courageous people because we are near them and are challenging them. [applause]

We could say that the [Americans'] great dream of the past 30 years has been to crush Cuba. They could not accomplish that, but since the collapse of (?foolish) socialism—which served as our support and whose solidarity played a very important role in this struggle of ours against the empire for our identity and independence—the Americans believe this is their great opportunity to crush us. They believe we are not and will not be capable of resisting. They believe or want to believe this but, of course, they have not lost a second in working toward that goal.

The disappearance of the socialist bloc was, in fact, a great tragedy for our country. The disintegration of the USSR was an even greater tragedy and some day history will demand that the offenders take responsibility for this. The disappearance of the socialist bloc, the disintegration of the USSR, and the disappearance of socialism in the USSR has done extraordinary damage, and will continue to cause us extraordinary damage for an indefinite time.

One of its effects was widespread demobilization of the worldwide revolutionary movement's moralization movement. It caused widespread demoralization and confusion. We were not going to be demoralized, nor were we going to become confused. The disappearance of the USSR and the emergence of a situation in which the empire virtually became a unipolar master has caused a good deal of fear worldwide. (?For the time being). We were not going to be frightened. Our decision, our only decision, our only alternative was to struggle. It is necessary, however, for our fellow countrymen, all the revolutionaries, and the militant revolutionaries to have a clear idea of what the disappearance of the socialist bloc and the disintegration of the USSR has meant to Cuba—not in the political sphere because we have always been politically strong.

We are proving this under the most difficult circumstances. Our revolutionary process has always been very strong. Many here were confused and left following a (?rag) ball. They were not capable of thinking with their own heads, and they listened to the songs of sirens of a certain political rhetoric and certain theories. Yes, we had that type of problem, but politically speaking our party was very clear, because fortunately it learned to think with its own head. We now have to ask where are those who were not clear, and where are we, the ones who were clear? The former disappeared, yet we are here, struggling. [applause]

For a long time we have known from a military point of view, that if there was an imperialist attack, we were going to have to struggle alone. We have known this for a long time. It has been a long time since we prepared the theory of the war of all the people and the military concept of our defense. We have advanced very much in this field, because we felt we were capable and we feel we are capable of defeating an imperialist aggression with the war of all the people. [applause]

Naturally, we received large amounts of weapons from the former USSR, for which we are and will always be eternally grateful. In our solidarity spirit with the rest of the world, we were willing to run the risks of a nuclear war during that October crisis. Very soon, it will be 30 years since that crisis. What a courageous and heroic role of our people. What exemplary strength. We are familiar with such experiences. We are strong in our concept of the war of all the people to defend the Revolution and the country.

Where did it hurt us the most? It was in the economic field. It would be advisable to give you some information. We have already given this information, but this information always has to be repeated. We have to repeat it so the revolutionaries will know it and the confused ones will not try to confuse us, and so that those

who have made bona fide mistakes will know what to do and will have elements to make judgments.

It was, however, the economic area that was hit the hardest by the socialist bloc disaster. I have some data here; (?I have many), but I do not wish to fill your heads with them. (?Instead of words), I will quote figures to give you a sense of what the disappearance of socialism in Europe meant to our economy.

I will tell about the (?analyses that have been made). How much has our ability to import suffered in billions of dollars at current market prices, how much have we lost in terms of export prices? In other words, the difference between the prices we quoted, based on an agreement with the USSR and other countries, and the prices we receive in what we call the trash heap of the world market, where surplus sugar ends up.

Because we no longer quote the prices we used with the USSR, if we compare those prices with current ones, we lost $2.469 billion in sugar sales to the USSR, and we lost $270.5 million in sales to Eastern Europe. We lost $30 million in nickel and $14.4 million in other products. As a result of a reduction in credits we previously received—we never received credits from the World Bank and international financial organizations controlled by the United States—we lost $1.463 billion. I am talking about an annual loss; this is per year. We lost $162 million in credits from East European countries. We lost $13 million in credits from the Soviet international investment bank.

We also lost $80 million because of higher import prices. We lost $144.6 million due to difficulties in locating products, for example, citrus products. We are losing $55 million in locating others. We are losing a total $4.734 billion per year, rather $4.701 billion per year for the reasons I listed, and they are not the only ones. Those are direct losses caused by a reduction in the prices we used to quote for our exports.

In indirect losses caused by the destabilization of supplies, problems involving export production, and certain financial (?problems) we lost another $1 billion. All these adds up to $5.7 billion compared to 1989. We are comparing 1992 to 1989.

This comparison indicates that the purchasing power of the country in 1989 was that of $8.139 billion. According to our estimates, the purchasing power of 1992 will be $2.2 billion. Look at the difference in purchasing power, look what all of this brought us: The difference between $8.139 billion and $2.2 billion—which is what we have for this year. With this disaster, our country has lost 70 percent of its purchasing power. This is a terrible blow on the economy.

I am not telling you this to discourage you, because I know you are not the type that becomes discouraged. [applause] I am telling you this so that you will have an idea of the economic harm done by all this and what feats we have to do to solve with $2.2 billion what we previously solved with over $8 billion in imports. We have to do quite a great feat. [applause]

How have our people reacted? How has the majority of our people, the core of our people, the soul of our people reacted? How have the true revolutionaries, who constitute the arm and the basic muscle of the Revolution, reacted? They did not react with panic, nor did they become demoralized. They reacted with a determination to struggle. They followed the line drawn by the party, by the Revolution. They followed the logical line that must be followed in these circumstances.

What could we do? Take down our flag? [crowd shouts: no] Surrender? [crowd shouts: no] Abandon our struggle? [crowd shouts: no] Give up the Revolution? [crowd shouts: no] Give up socialism? [crowd shouts: no] No, just like you say.

We have done what we had to do: Struggle. It is possible that very few people have had to go through a more difficult trial.

We are also fortunate because of the qualities of our (?people). We had already considered the possibility of a special period in times of war in case of a total blockade against the country. We had no other alternative but to implement the principles of the special period in times of peace which, despite the difficulties it may pose, is not as difficult as a special period in times of war. The situation would be much more difficult in a period of war. We were always willing to withstand a special period in times of war. We were always willing to resist a total blockade of our country, and had there been a total blockade we would not have folded up our flags, nor would we have surrendered.

How have our people reacted in different areas? With true feats. We must acknowledge the efforts of our laborers, workers, efficiency experts, innovators and technical youth brigades who have planned, innovated, invented, sought solutions, and fabricated parts on any lathe—very often searching for scrap metal to keep the factories going and to keep transportation and general construction equipment in working condition. This equipment came from many countries from which parts were not sent. For the second time in history we were faced with the same problem, but this time it was more serious. At the beginning of the Revolution, we had capitalist equipment, and now the same thing was happening with socialist equipment, but the workers were determined to make the combines work as much as possible.

Our people's response to the mobilizations was admirable. (?They have supported) the people who were mobilized from the capital and the rest of the country. During the past two years, in the capital city alone, approximately 500,000 have worked in the agricultural field—500,000 citizens produced food. Millions of people have worked in the agricultural field over the past two years. They have produced food, vegetables, and weeded sugarcane.

Previously, herbicide was used to weed the sugarcane. At present, a large portion of the sugarcane is weeded by hand. Agricultural workers, mobilized city dwellers, field workers, Armed Forces members, Ministry of the Interior combatants, student work brigades, students, young people, professionals, doctors, [words indistinct], and instructors participate in this work to face the great inconveniences caused by this situation. Of course, under these circumstances—the collapse of the Socialist bloc—the U.S. economic blockade inflicts much more harm. When the Socialist bloc existed, we had access to credit and the supply of oil, raw materials, and food was guaranteed. When we had a guaranteed market, the economic blockade harmed us but not as much as the present when the Socialist bloc and the Soviet Union no longer exist.

The U.S. Government intensifies the blockade more and more and devises new measures against Cuba, which even harm the sovereignty of third countries. The U.S. Government is still not satisfied and wants to subject our country to even more difficult trials. The U.S. Government does everything possible so we cannot buy fuel in the market. It goes to greater efforts so we cannot have money to buy and pay for the little fuel the country is receiving. The U.S. Government undermines every Cuban effort to increase its exports and every Cuban effort to enter into partnerships with capitalist enterprises. The U.S. Government undermines even the smallest effort that Cuba makes to export its new products, which Cuba is developing as never before and with a power it never had before.

This is why under these circumstances the U.S. blockade has become even more harmful. I think this gives you an idea of the difficulties we have been encountering. Now look what the people have done. Public transportation has been decreased by nearly one-third. Nevertheless, hundreds of thousands of workers, students, and other people ride bicycles. I can point out an example. In the capital, bus trips have decreased from 30,000 to approximately 10,000 daily. A similar situation occurs in the rest of the country. We see how the people participate in finding solutions with modest resources such as bicycles.

Dozens of thousands of oxen have been incorporated into agriculture to till and cultivate the land. The railroad—transportation that turns out to be most economical—is being studied as much as possible. That is, however, not true for railroads only. Trash collection services, as well as other services virtually all over the country, have incorporated the use of horses, mules, and small carts. Even taxi services have been replaced in many cities, including this one, by horse-pulled carts.

This is a revolutionary people; a people determined to tackle problems; a courageous people. To solve food problems and find solutions for this country, families, citizens, and groups of workers have cultivated patios, tenements, and open spaces everywhere.

Who would have said that amid such difficult circumstances our country would be able to say what no Latin American country can; what no Third World country and not even many developed capitalist countries can say: We started the new school term and not one child or teenager was left out of school. [applause] The new school term started and not one university student—those who were already attending and newly admitted ones—was left out of the university.

It is already September and in this year of the special period, the infant mortality rate is under the figure registered for the same period last year and any other previous year. [applause] We are living a special period and not one worker lacks work or protection of a considerable part of his salary if he cannot be relocated. We are living a special period and not one citizen has been abandoned in this country. [applause] We are living a special period and we produced 7 million tons of sugar, 7 million tons of sugar. [applause]

We have not only produced that, but we have been able to sell it, after we had lost the markets of the socialist sphere. We have not only been able to sell the sugar we produce, but we have more demands for sugar and more commitments for sugar that we cannot meet. It is unbelievable that under the conditions of the special period, we have produced 7 million tons of sugar with 30 percent of the resources [applause] that we traditionally used in the harvest. [applause] with 30 percent of the resources. [applause]

We have done it, and in what conditions. We have no herbicides, we have no fertilizers. Great efforts are being made by our research workers and scientists. They are seeking formulas to fertilize the crops through biological means and to control plagues through biological means. Such great efforts are being made to seek new, more resistant varieties. They are making such great efforts to find a method to feed the cattle, which were left without cereals or fodder.

This has seriously affected some production, such as the production of milk. The flocks were suddenly left without any feed, and this demanded a tremendous effort to implement new techniques, such as rotating feeding grounds for livestock, planting sugarcane for producing sacharina, [a type of fodder made from sugarcane] and legumes. There are many new measures that are being implemented. In some provinces, these measures are beginning to yield good results, but these could not compensate for the total elimination of fodder for cattle.

Great efforts are being made to feed cattle by different means, mainly using sugarcane byproducts. How about the hogs, that were also left without any feed?

Great efforts are being made to utilize what little we can import to produce something, for example the production of eggs. We are always awaiting the arrival of a ship that will bring us some cereal. The lack of stability in supplies has greatly harmed productions. Great efforts are being made by our experts, research workers, and

scientists to save the cattle and maintain the conditions that will allow us in the future to increase production. Our people have responded well.

Not a single contingent has been disbanded. We maintain the tens of contingents we had organized for construction, and many of them are doing other activities. A large group of them are working in priority works, because we maintain our priority programs. In the first place is the food program, in spite of all these difficulties. Perhaps I have not mentioned the tremendous efforts we are making to produce protein in water reservoirs. We have built hundreds of installations in recent times to multiply the production of fresh water fish so the people will have that food available.

I was telling you, however, that the priority programs will continue to be implemented. We are working hard at it. The food programs, as well of those of the pharmaceutical and biotechnological industry, are progressing. Maybe they are not progressing at the rate we wish. Yet they are marching forward, at a good clip, despite difficulties. We have had to stop many social programs. We do not have enough fuel for cement production. We do not have enough fuel for construction materials. We do not have enough fuel for equipment. Consequently, we must establish a very strict order of priorities. Now, we can ask this. Could a capitalist country resist such a blow on its economy?

During our history, our economy suffered heavy blows from outside, in the previous and in this century. Who has not heard of the drastic price drop after World War I? Who has not heard of prices, particularly that of sugar, in the 1930's? Yet the economy of our country was never dealt so terrible a blow as the one I just described with information and figures. Would a capitalist country have been able to withstand this blow? Would a capitalist country have been able to produce 7 million tons of sugar under these circumstances? Would a capitalist country have been able to make a fair, equitable distribution of the available products, as we are doing in our country? [crowd answers: no] Would a capitalist system have been able to reduce the child mortality rate even further under these circumstances? [crowd answers: no] Would a capitalist country have been able to guarantee a job or protection for all citizens of the country? [crowd answers: no] This was a terrible blow. Would such a country have been able to guarantee schoolrooms for all teachers and professors? [crowd answers: no] Would such a country have been able to guarantee books, professors, teachers, and classrooms for all children in the country? [crowd answers: no] What capitalist country would have been able to do this in the midst of difficult conditions and in the presence of such a terrible blow?

Only the Revolution and only a socialist country, a truly socialist and revolutionary country, could have resisted such a blow. [applause] What would have been the fate of these people had they been under a capitalist society? What would have been the fate of these people under these circumstances?

Notwithstanding the low price of sugar, our ability to buy products with sugar revenues has never been worse than now. Let us mention one example. I told you this harvest yielded 7 million tons; of that total we have to discount local consumption and the rest is exported.

The sugar we export is barely enough to buy the fuel we are consuming, because one of the worst things compared to the past is that upon the triumph of the Revolution in 1959 and 1960—when the first U.S. measures against Cuba were imposed—1 ton of sugar bought about 8 tons of petroleum; 8 tons with 1 ton of sugar. Pay attention: Today, 1 ton of sugar at so-called world market prices, buys only 1.4 tons of petroleum; with 1 ton of sugar we buy 1.4 tons of petroleum.

That correlation of sugar and petroleum prices never existed before. We had agreements with the USSR before petroleum prices skyrocketed as a result of crises in the Middle East and certain international developments. The price of petroleum increased between 10 and 15 times and those are the prices that are more or less maintained today. Stop to think what buying only 1.4 tons of petroleum with 1 ton of sugar means.

I said we signed agreements with the Soviets on the price of sugar and when petroleum prices increased, the price of sugar also increased. That is why for nearly the past 30 years 1 ton of sugar—based on agreements we had with the Soviets—bought about 7.5 tons of petroleum. Our people today have to pay 1 ton of sugar for 1.4 tons of petroleum. This ratio could even increase or decrease depending on increases or decreases in the price of petroleum. I am, however, now talking about current prices.

This means every thermal plant, every locomotive, every truck, and every vehicle is consuming sugar. It is as if we filled them with tons of sugar instead of tons of fuel. Today our automobiles are running on sugar at the lowest ratio—at a 1 to 1.4 correlation.

This means that for every 1.4 tons of petroleum used, we are using a ton of sugar. You know what it costs to produce sugar—to cut, transform, transport, and develop it. In other words, to cut the sugarcane, transport it, develop the sugar, store it, and export it.

Look at the situation and see if the obstacles are great. With this correlation of prices between sugar and petroleum, what would have happened in this country if we had a capitalist society? A society in which the means of production were private property? This is why I am telling you that only socialism and only the Revolution would have been able to withstand a blow as terrible as the one dealt to us by virtue of events that have nothing to do with us; by virtue of events that are not our responsibility but the responsibility of others. This is why I am saying on this historical date, at this historical commemoration, that if in the past I believed very much in socialism, I believe in it a lot more now. [applause] If in the past I believed in the Revolution, I believe in it much more now. [applause] If in the past I believed in

social justice, I believe in it a lot more now. If in the past I believed in the people, I believe in them a lot more now. [applause]

You may encounter simpletons who believe the empire is going to give Cuba a gift. The empire has never given anyone anything. From the time it emerged in the world, it has exploited people. When the smallest concession is made to the empire it demands more, and when another concession is made it demands more, and the more that is done the more it demands. This is why we follow Che's philosophy: You cannot make the smallest concession to the empire. This is the philosophy the history of our country has taught us. If imperialism were to regain its possession of Cuba, it would be to exploit it to the marrow of its bones, not to give it a gift of petroleum, not to reduce infant mortality, not to give every child a classroom, not to give every citizen a job, but once again to return to illiteracy, unemployment, poverty, gambling, drugs, and prostitution.

There may be simpletons who believe Cuba may have some other alternative other than the struggle. I am saying on this historic date, before this brave and revolutionary people, that if that were the alternative—to return to being what we once were, to cease to be what we are and want to be—we revolutionaries would prefer a thousand deaths, [applause] and the revolutionaries will have to be reckoned with for a long time in this country.

Cienfuegos is one of the provinces most affected by the socialist disaster. The nitrogen manufacturing plant is closed. Production at the cement manufacturing plant is at its minimum. Many manufacturing industries are closed. The refinery, whose first stage was completed, could not start operations for lack of fuel. Similarly, many of the industrial installations created by the Revolution will remain partially or temporarily paralyzed. We will start them all some day if we succeed in preserving the homeland, the Revolution, and socialism. [applause] Cienfuegos is the province that has suffered the most. Yet I ask this. Has a single Cienfuegos resident been left without a job and protection? [crowd answers: no] Could a single mother from Cienfuegos or any other place in the country say that her son could not go to school at the opening of the school year? Could a single mother say that she did not get medical attention, similar or better than that she had received earlier? Could a single mother say that her son was left without doctors or medical attention, that her son's risk increased? [crowd answers: no]

In other words, this province, one of the most affected, would have had to make terrible sacrifices had it not been for the Revolution and socialism. [applause] Does this mean we are doing everything perfect? No. Does it mean that everyone is doing his fair share of work? No. We know it. This analysis should lead us to the awareness on the need for every militant, each party and state leader, every worker and technician, to make his best effort wherever he is. Unfortunately, there will always be lumpen and sleazes who attempt to solve their problems at the expense of someone else's work. This will not discourage or stop us. We will try more and more to seek ways so the fruit of work can go to those who produce or render a service to the society. [applause]

Meanwhile, however, under the circumstances, when it is necessary to make the distribution according to this situation, we have no choice but to give the sleazes and lumpen their share of bread and everything else. It is not that we like it, but it is our duty. This will not prevent us, however, from improving the dining rooms at manufacturing plants and working centers whenever possible and whenever we can make distributions to those who work and produce.

I have one subject left. It is very important for Cienfuegos as well as for the nation. I regret having to speak longer on this subject but well, it is not every year we celebrate a 26 [July] and a 5 September together. I want to tell you that a few days ago—on 2 September—I made a quick visit to the Juragua Nuclear Power Plant. I guess everybody in Cienfuegos more or less knows by now what I talked about with the workers building the nuclear power plant.

We have had no choice but to stop the construction of this project—one of the most important to Cienfuegos, and possibly one of the most important to the country. I met with the workers. It was raining, yet we held a vigorous, revolutionary ceremony. I explained to them why we had to stop this project, even if only temporarily.

Those reasons—to make sure they are well understood—are the same reasons we presented to the Government of Russia in proposing a halt to this project. As you well know, Russia declared itself heir to the former USSR, its commitments and rights. We advised the Russian Government of the reasons we have found ourselves forced to make this sad decision. If you will be so kind, I would like to read them to you even though it might take some time, if your patience allows me to do so. [applause]

This is an important issue for national public opinion, as much as for international public opinion. The reasons we gave to the Russian authorites were as follows: In 1972, when the top levels of government of Cuba and of the Soviet Union agreed to begin collaboration on the introduction of nuclear energy, an advantageous opportunity was open not only to Cuba, but also to the Soviet nuclear industry to develop and perfect its technology in a country with conditions very different from that of Europe, and which would make it possible for them, as it actually happened, to expand their market of exports to other regions. In this context of mutual advantage for both governments, the steps were begun for the nuclear power plant of Juragua.

The essential element for reaching an accord of that nature were the relations of friendship and trust established over many years between our peoples, and the political will to support a fair exchange comprising reasonable credits for an investment of that type. On this basis, a serious and

solid agreement was reached for the conception, construction, beginning of operation, fuel supply, and maintanance during the useful life of the nuclear power plant; as well as the guarantee for safe exploitation of the plant. The intergovernmental agreements for economic and technical cooperation included the delivery of two 440-megawatt nuclear reactors—Project B-318—under appropiate credit conditions and joint responsibility by both parties in the execution of this project, which included a total Soviet supply of technology and technical aid. Succesive accords were signed.

The 14 April 1976 accord established payment terms of 25 years, beginning on 1 January 1981, or the year following the year of delivery after 1980, with an interest rate of 2.5 percent. The 17 April 1981 accord established a 12-year term, two years after delivery of the final supply required for the start-up of operations, with an interest rate of 4 percent. The 10 April 1986 accord established a 12-year term with a five-year grace period following the delivery, and 4-percent interest. The 29 December 1990 accord was signed under the same conditions as that of 1986. In other words, a 12-year term, plus a five-year grace period. Finally, on 6 October 1989, an intergovernmental accord was signed for construction cooperation on the Juragua Nuclear Power Plant in the Republic of Cuba.

These are the accords signed with them regarding the construction of this plant. The truth is that we were making progress toward building four reactors, and studies were underway for construction of a nuclear power plant in the eastern part of the country.

An analysis of the level of construction of the nuclear power plant demonstrates the serious and sustained effort which Cuba has conducted under the most difficult conditions in order to fulfill the accords.

So we see that the first block of the nuclear power plant is in the following condition: 90 percent of the civil engineering has been completed; more than 95 percent of construction of the auxiliary sites are close to completion and some are ready to begin operation; more than 350,000 square meters of concrete have been poured; about 7,000 tons of equipment and almost 3,000 tons of technical pipes have been installed; 60 to 80 percent of supplies to begin operation of the block have been obtained. More than $1.1 billion has been invested so far. We have invested more than $1.1 billion there, and a city has been built with more than 2,000 housing units.

An industrial base which supports the construction of the nuclear power plant, roads, railroad tracks, a polytechnical school, a port for large ships, and the other projects required for the technical and service infrastructure of this colossal project have been built. Our country has not spared any effort in creating a solid foundation of scientific and technical support for the assimilation of nuclear energy and the introduction of nuclear science and technology into the national economy. Toward that end, approximately 2,000 professionals and thousands of skilled workers have been trained in this field. A [words indistinct] base has been created for this activity and for the institutions and entities that support this program.

These are the reasons we gave to the Russian authorities. Cuba has set a magnificent example of respect for what was agreed to, despite delays in building the nuclear power plant resulting from uncertainty about the automatic system to be used to monitor the plant, a consequence of the tragic accident at the Chernobyl nuclear power plant, which forced the Soviet organizations to review and improve the specifications for this kind of equipment.

In reality, this type of reactor is nothing like the Chernobyl reactor. The Chernobyl reactor uses different technology. The reactors we are building here are the safest in the world, and are the kind that exist in almost all countries. Anyway, the Chernobyl accident forced the Soviet organizations, as it says here, to carefully review everything concerning the safety measures, monitoring, etc.

We continued by telling the Russian authorities that to these delays were added other delays that resulted from the serious internal difficulties in the Soviet Union and later from the radical and dramatic changes which have been occurring in the cooperative relationship between Cuba and Russia, for which we are not in the least responsible.

Under the most difficult conditions, the Cuban Government has harbored the hope that we could preserve the conditions of cooperation on the Juragua Nuclear Power Plant in order to conclude its construction even after the cancellation of other vitally important accords. Based on these considerations, we have been working toward that aim, and during the first part of April 1992, we met with the Russian delegation responsible for reviewing cooperation on the Juragua Nuclear Power Plant.

Unfortunately, the Russian authorities, after completely altering commercial trade relations between our two countries and unilaterally suspending all cooperative relationships, had proposed continuing construction of the nuclear power plant under terms and conditions that make this completely impossible, since we have verified that even though they are offering us credit to cover part of the Russian organizations' expenses, the new conditions under which the project would have to be completed would be as follows.

The credit would not cover all the supplies and services from Russia, the CIS, and other countries; nor the delivery of equipment, instruments, and materials additionally produced under agreement between the parties, including replacements for broken parts. Cuba would have to obtain part of the automatic system directly from a third country without being able to rely on a Russian guarantee. The conditions and payment forms for the special assembly of the basic equipment; adjustment and start-up work; the training of personnel who would work at the plant; installation, testing, and start-up of the automatic control system to be supplied by the Russians;

services; and technical assistance would be very different, and the supplies would be delivered f.o.b. instead of c.i.f. as had previously been agreed upon.

This means that we would have to transport all this equipment, which we had agreed would be delivered to us by the USSR fleet. On what ship? One of the things I did not mention when I spoke of the difficulties is that in the past, a large portion of our imported and exported products were transported on Soviet and socialist countries' ships. Even though our fleet has grown, it is not large enough.

Today, practically all importing and exporting has to be done by us, with our fleet, or by leasing ships with convertible currency.

To propose that Cuba must pay approximately $200 million in cash to Russian organizations and arrange for credits in addition to those that were formerly agreed to, for approximately $200 million more from third countries for the completion of the nuclear power plant, means that one is not taking into account the fact that Cuba is resolutely confronting the intensification of the economic embargo which the U.S. Government has imposed on us for the last 30 years. We do not have access to credit resources from international financial organizations, from other countries, or of any other type.

This, moreover, does not take into consideration our country's economic difficulties, which have forced us to declare a special period in peacetime due to the 60-percent reduction in imports because Russia suspended the traditional trade relations between our two countries.

We gave expressed objections to the new conditions proposed to finish this project to the delegation that visited us in April. They advised us that the definite, official version of the Russian proposals would be completed in May. We decided to wait for this version before making a decision on the problem. Time passed and the documents that were promised were never submitted. Meanwhile, with every passing day, we invested more human and material resources in the project. For us, it is too burdensome to wait any longer.

These facts have brought us to the painful conclusion that to continue the project under the new conditions proposed—and with so many obstacles, difficulties, and delays in defining the path we should follow, on a solid, realistic basis—is something that our economy cannot bear under the current circumstances. Therefore, we have decided to propose to the Russian Government that this project be temporarily suspended. If in the future there is a change in the conditions that have forced us to make this decision, Cuba will be ready to evaluate the resumption of construction, as I explained to the construction workers at the nuclear power plant.

We have been pouring resources into the project everyday, every year. We have already invested $1.1 billion. For what? To wait who knows how long before we can turn on a light bulb in that plant, without any guarantee as to deliveries? Even right now, without a guarantee of the deliveries of the nuclear fuel this plant will need? Under the conditions I have just explained, which are the arguments we used when speaking to the Soviet authorities, it would truly be insane to continue investing millions of work hours and numerous resources into a continuation of that project.

The technicians—and there are hundreds of Soviet technicians ... [corrects himself] Russian technicians, or from the CIS, or whatever, good technicians and good collaborators; we have no complaints about them—but there are hundreds of them, and today we have to pay them in hard currency for their cooperation. We have to spend approximately $300,000 a month. For example, with $300,000 a month, which is more than $3.5 million per year, we can obtain raw materials for six million pairs of plastic shoes. That is how much we have to pay the technicians. [applause] Is it fair under these circumstances to continue committing those resources, as we have explained in our arguments, in order to be able to turn on a light bulb who knows when? Once, 12,000 men worked there; today, almost 7,000 workers work there, between 6,000 and 7,000 workers. Is it fair that such magnificent workers be used for that project at the present time? I explained all this to the workers. I explained to them that this suspension could be final. It all depends on the conditions that the future may bring. But we are going to maintain the hope that somehow the project may be resumed, that some solution might appear in this regard that will completely justify the effort.

It was very hard for those workers. There are comrades who have invested a considerable part of their lives in that project. They had great hopes. We are simply not going to undo any of that. I explained to them that the workforce must be transferred to other areas in which quicker results can be obtained. I proposed to them that civil engineering workers basically be moved into tourism, into building tourism projects. We would send them to Varadero, not on vacation, but to build there. We would send them to Cayo Coco, Isle of Youth, different areas where we are developing very important tourist centers that should yield substantial hard currency income for the country in less time and in a more secure form.

There is a great brigade of assemblers there. We must keep this brigade of assemblers organized, not disperse their strength. We should not disorganize them. We must keep the various forces there organized, united. These assemblers can work in the sugar industry—that is, in repair and maintenance—prioritized industries, different activities in the country, because they are some of the best welders this country has. We must keep them organized and give them duties, even if they are not all in the same place. But we must maintain the organization.

Besides this construction force that we can transfer to other areas, we must leave a considerable number there in the upcoming months. We must still continue trying to invest some cement and other materials, because if we

want to preserve these construction works, we must cover them up—they cannot be left in their present stage—to preserve them, and maintain the hope that perhaps one day we can resume the work. We must continue to invest and work. A considerable number of workers should therefore remain there for a time, performing construction tasks to preserve the equipment and technology.

A group of maintenance workers should also remain there. We will need a certain number there. But besides these construction forces, we have those who were to work at the nuclear plant. Approximately 1,500 workers have been trained over many years. There are hundreds of engineers and technicians. We propose not to disperse these forces either. We should give them employment there in maintenance and other things, but we should keep these forces. We must keep all these human resources, who we have trained and prepared for the construction and operation of the nuclear power plant.

There are few countries with a labor force as qualified as this one, as well-trained and experienced as the force we have there. Our proposal is not to disorganize or disperse it. I explained to everyone that no worker—construction workers or those who would work the nuclear plant in the future—would be left without a job. That is the principle we have followed to-date. [applause] I explained these details to the workers. I must say that I explained this to them with great frankness, I read them these materials, I added some arguments. Although I knew what a hard blow it was for many of the workers, for all of them, their reaction was formidable. It was extraordinary. I invited all of them to this ceremony. I told them that I had gotten ahead of myself when I explained the problem to them, [applause] and that we had to explain it to the rest of the country, the rest of the provinces, the rest of the country during the ceremony, and naturally the international press will disseminate this news as well.

The workers' response was excellent. It was what we had hoped for. There they are, ready to work, anywhere, [applause] ready to work wherever they are assigned so as to keep this extraordinary family of builders and workers of the nuclear power plant united. I should say that on that day, as is natural, there were men and women who cried. Even nature wept that afternoon. I told them that nature could weep, but we could not weep except out of patriotism and emotion, as many of those there cried. [applause] We were truly amazed at the spirit of these comrades. They are a force we cannot lose for any reason. We must always be prepared and ready for anything.

If we must definitively halt the work, then we will do so. If we must gather this work force together once again and send them there again, we will do so. I promised them that we would even have to recall good workers who at one time had worked there, but had moved on to other activities. Far from reducing this construction force, we should increase it so as to rely on it at any time. These are the things we must do during the special period. These measures were delayed, as we explained there. We were waiting and waiting, discussing and discussing it, always with the hope that we would find some solution, until the time came when it was very clear to all of us that we had to take this measure.

I do not know if I explained here, if I already told you, that with this we were going to save 1.2 million tons of oil from the first two reactor units. As you know, the units the electricity industry has kept in operation are the most efficient. We are making efforts in many directions. I do not much like to talk about the efforts we are making, so the enemy will not know too much or be too aware. But we are not forgetting other directions, other fronts, the search for other sources of energy, the possibilities of using certain rivers. We are not forgetting about oil, prospecting for it. We have taken a number of steps in that direction. We have been looking for technology to increase the production of our own oil, which this year will be about 1 million tons. We are not neglecting a single program: biotechnology, the pharmaceutics industry, tourism—I have already told you this—energy, food production for the populace.

Because we are not abandoning, nor will we abandon, our struggle. We will not rest for a single second. That is our most sacred commitment. I have already today explained to you the reasons for this. We are going to struggle. We are going to resist. We are never going to surrender, and imperialism will have to put up with the Cuban revolutionaries for a long time to come. [applause]

If we work well; if we struggle intelligently; if we keep our unity, firmness, and spirit; if we are able to rise to the occasion; if we never want to fail in the reliance other nations of the world have placed on us, the reliance all revolutionary and progressive people in the world have placed on us, and all the poor people in the world, who see Cuba as a symbol of struggle and resistance—a symbol we cannot abandon, a symbol we cannot destroy, a symbol we cannot betray—we will move forward. We will find solutions to our problems. We will never forget that this is the nation of 1868 and 1895, of Moncada and 5 September, of the mountains and the plains, the underground struggle, the glorious internationalist missions. [applause]

We will never forget this, or that we are the descendents of those who fought for 10 years, of those who endured [Spanish General Valeriano] Weyler's plan of concentration. He did something that the U.S. Government is trying to do today: make our people surrender out of hunger; kill our people, workers, farmers, women, and children through hunger. Weyler already tried to do that once at an extremely high cost, and he did not succeed. He did not succeed in making our people surrender. [applause] Imperialism will succeed even less, because of the glorious and beautiful traditions our people and the Cuban nation have stored up.

That is why today, on this historic date, I recall very rightly and justly those words Camilo [Cienfuegos] spoke during his final speech at the old Government Palace, when he recalled the lines of Bonifacio Byrne: If one day my flag is torn into tiny pieces, our dead, raising their arms, will still know how to defend it. [applause] Just as we will know, just as we will know [repeats] how to defend our dead, our heroes and martyrs, all those who have died throughout the glorious history of our nation.

Because we know that if one day imperialism were able to again take over this land—where, as Maceo said, they would have to get the blood-soaked dust of our earth, if they did not die in the struggle [applause]—we know that if imperialism were able to take over this land once again, the memory of our martyrs and heroes would be erased. The struggle of more than 150 years ... [corrects himself] or of much more than 130 years, would be lost. Not even the remains of our heroes would be left. There would be nothing that would recall their memory, not a single symbol, not a single statue, not a single tomb, not a single martyr's name on any of our hospitals, schools, cooperative farms, or factories.

We know this, and we know what the return of imperialism and capitalism to our country would mean. This is why, as Byrne said, our dead will defend our flag, and with our hands and lives and hearts and blood we will know how to defend our dead. Socialism or death, fatherland or death, we will win! [applause]

Water Supplies in East Reach 'Critical Level'

FL0809194492 Havana Radio Rebelde Network in Spanish 1155 GMT 8 Sep 92

[Text] [Words Indistinct] and use resources to ease the conditions of persistent drought in this eastern zone. Water volumes in the dams that supply Santiago de Cuba have reached critical levels. At the moment, the direct sources of water supply have dropped to 13 million cubic meters, of a total capacity of more than 100 million cubic meters.

The worsening of the situation has made it necessary to mobilize dozens of tank trucks from various enterprises to supply water to areas that have been most affected, as well as to expand conservation measures in industries, factories, and work centers. In another effort to ease the situation, Ministry of Construction, Union of Caribbean Construction Enterprises, and People's Council workers will undertake to coordinate the interconnection of small dams, and will rehabilitate pumping stations at dams and wells.

Carlos Lage Chairs Tobacco Harvest Meeting

FL0509205792 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 5 Sep 92

[Text] Carlos Lage, the vice president of the Council of Ministers and a member of the Politburo, has chaired a meeting held in Pinar del Rio Province where the only item on the agenda was securing the current tobacco harvest. As you know, tobacco is one of the main sources of income for the country, thus this product's importance to the Cuban State. Beginning this year and as part of the tobacco recovery program, a marked increase in the quality of all kinds of tobacco should take place, principally in the 1,200 caballerias of the best tobacco plantations which will be planted with first- and second-quality leaves, and where the ideal filler and rolling leaves are obtained for a good wrap. Fertilizers and insecticides have already been allocated for these, as well as for the covered areas that produce wrapping leaves, products most important to the harvest's development.

The province's report emphasizes the fulfillment to-date of the seedbed irrigation plan. The first phase of this crop is therefore practically guaranteed through provision of the seedlings necessary to begin the planting campaign on 15 October. This will allow complete planting by 31 December, the optimum period.

In Pinar del Rio Province this year, a total of 2,700 caballerias will be sown, requiring an intense flow of supplies. The current difficulties with fuel and lubricants, tractor motors, tires, and other supplies will be prioritized by the Cuban State as the season progresses. In this respect, Carlos Lage was precise in describing the obvious situation the country is experiencing: that although tobacco is prioritized, investments in the product cannot continue; yet the required results in production and quality must still be achieved. He emphasized that no alternative exists but to produce more and better tobacco each year.

[Begin Carlos Lage recording] This is the goal, but we cannot always accomplish it with increased resources. We are not always going to be able to do it with even essential resources. There is rational effort, conservationist effort. It is true that many resources have been greatly reduced, but rather than saying that we cannot withstand further limitations, on the contrary we should see that what is being accomplished is being done through will, strength, and the intelligence of everyone in the face of great difficulties; like what the country is going through. [end recording]

Winter Planting Begins in Villa Clara Province

FL0709201992 Havana Radio Rebelde Network in Spanish 0900 GMT 7 Sep 92

[Text] The growers of tubers, vegetables, fruit, and other products in Villa Clara Province have begun the winter planting campaign, which includes more than 949 caballerias of land. Of these 949 caballerias, 464 are planted in tubers, including yucca, boniato, and potatoes, with fewer planted than the previous harvest, but in agricultural zones with higher yields. The remaining volume to be planted during the phase of the plan that extends until February 1993 is of vegetables—mainly tomatoes for the industry, peppers for domestic consumption and exportation, and [word indistinct].

Hector Zeile, mixed crops delegate of the Agriculture Ministry in Villa Clara Province, pointed out that one of the objectives of the plan is to rescue tomato production in the Manac Enterprise.

Officials Analyze Critical Housing Situation

FL0709221992 Havana Radio Reloj Network in Spanish 1932 GMT 7 Sep 92

[Text] During a meeting today, People's Council presidents of Havana City Province analyzed the critical home maintenance situation in Havana. Pedro Chavez, president of the Provincial Assembly of the People's Government, gave a detailed report on the situation and on limitations on resources such as cement, in confronting the huge problems that exist in this sector.

Chavez explained that low-cost housing construction has begun and that alternatives and variables for repairing roofs are being sought. He emphasized that the more critical situations exist in Centro Habana, Cerro, and 10 Octubre Municipalities. The People's Council presidents suggested that central groups with closed facilities be informed of the situation and obtain funds to repair roofs and perform other necessary tasks.

BBC Carries Vice Minister Roa Kouri Interview

FL0809013192 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 8 Aug 92

[Text] Today BBC, the British radio station, broadcast an interview with Cuban Vice Minister Raul Roa Kouri. The diplomat described his country's plans to confront the difficulties it is going through. The broadcasting station [word indistinct] Cuba's problems with the U.S. embargo of more than three decades against the island.

In response to a question regarding the future of the Nonaligned Movement [NAM], Roa Kouri emphasized that in this unipolar world, the movement's perspectives are based on its unity and cohesion. NAM recently concluded its 10th summit in Indonesia. The sessions, held at the (?Balai Sindon) or Jakarta Convention Center, were attended by delegations from 95 countries, and ran from 1 to 6 September.

NAM Summit Urges U.S. To Negotiate With Cuba

FL0709202192 Havana Radio Progreso Network in Spanish 1100 GMT 7 Sep 92

[Excerpt] [passage omitted] The final document signed by heads of state and government attending the 10th Summit of the Nonaligned Movement [NAM] urges the United States to cease committing acts against the Good Neighbor Policy with Cuba and to put an end to a series of economic, trade, and financial measures and actions which have caused material losses and economic damage. The document demands the cessation of violations of territorial waters and Cuban airspace and the cessation of broadcasts of hostile programs on radio and television, which are contrary to international law. The document also demands that the naval base in Guantanamo be returned to Cuban sovereignty.

In this respect, the NAM urged the United States to solve its differences with Cuba through negotiations based on equality and mutual respect. [passage omitted]

Cooperation Agreement Signed With Mexico

PA0509162492 Havana Radio Havana Cuba in Spanish 1300 GMT 5 Sep 92

[Text] Cuban Vice President Jose Ramon Fernandez and Mexican Public Education Secretary Ernesto Zedillo have signed a bilateral cooperation agreement in the cultural, education, and sports sectors. The agreement will be in effect until 1994. The program outlined in the agreement, which was signed on 4 September, includes the exchange of information for the formation of human resources at different education levels; and it sponsors cultural events and cooperation in literary, editorial, television, radio, and movie events.

Following the signing of this important agreement, Cuban Vice President Jose Ramon Fernandez said Cuba is open to anything that does not affect its sovereignty and socialist project; adding this is particularly important for investments in tourism, science, joint production, and the marketing of Cuban products.

Fernandez said: Despite the difficult situation that prevails in the country, Cuba has achieved development in the science, biotechnology, medical equipment production, and genetic engineering sector. Moreover, the Mexican public education secretary said his country highly appreciates its relations with Cuba.

Canadian Parliamentarians Meet ANPP President

FL0409230692 Havana Cuba Vision Network in Spanish 2220 GMT 4 Sep 92

[Text] This afternoon, Canadian parliamentarians met with Juan Escalona Reguera, the president of the National Assembly of the People's Government [ANPP]. On behalf of the delegation's members, David Wagner, president of the legislative assembly in Ontario Province, Canada, expressed their pleasure at being in Cuba and learning what is happening on the island. He also detailed the historical friendship between Canada and Cuba, which, he said, is made stronger through the respect which both countries have for each other.

In the meeting, the Canadians expressed interest in learning about important Cuban historical events and very specific aspects of the functioning of our legislature.

U.S. Telephone Communications Policy Criticized

PA0509042692 Havana Radio Havana Cuba in Spanish 0000 GMT 5 Sep 92

[Roberto Morejon commentary]

[Text] Eight U.S. presidents have maintained and intensified the blockade against Cuba, one of the longest and most encompassing in modern history. The current occupant of the White House insists on seeking new ways to harass Cuba and has gone as far as snarling communications between residents of the two countries.

Although George Bush claims he only wants to help Cubans, the fact is that there is nothing more at odds with that campaign comment than placing obstacles in the way of contacts between people who live in the two countries. One such obstacle is the demand that Cuba pay in foreign currency for telephone calls between the two countries that are routed through Great Britain, Canada, Spain and Italy. Those temporary routes were proposed by AT&T after the normal telephone link between the United States and Cuba was interrupted by the damage Hurricane Andrew caused to the company's installations in Florida.

As part of its plans to financially crush the Caribbean nation, the United States wants Cuba to renounce its legitimate right to receive the money it should be paid from the telephone calls between the two countries, either through the regular or alternate routes.

It is opportune to stress that as a result of the economic blockade, the White House prohibits U.S. communications firms from making payments to Cuba and wants the revenues belonging to the Caribbean island to be deposited in a frozen account in Washington. Of course the Cuban authorities demand the corresponding payment, and they hold the United States responsible for the current interruption of telephone communications, a situation that affects thousands of families living in the two countries.

The White House is trying to take advantage of the situation caused by Hurricane Andrew's trip through Florida, which increased the demand for telephone calls between the United States and Cuba, so Cuban authorities will pay for the total cost of the use of alternate routes. We are seeing a form of extortion that disregards Cuba's rights and the communication needs of thousands of people.

Ministry on Telephone Connection

FL0509004792 Havana Radio Rebelde Network in Spanish 2330 GMT 4 Sep 92

["Text" of Foreign Ministry statement, date not given]

[Text] With its typical hypocrisy, the U.S. State Department has deplored a supposed action by the Cuban Government to restrict telephone communications between the two countries. As is well known, the Florida peninsula was hit by Hurricane Andrew on 23 August, causing serious damage to the U.S. tropospheric station. For this reason, direct telephone service with the United States has been interrupted, as has been the service which was routed through that station to the rest of the world.

When the interruption occurred, the company which operates the telephone service in the United States, AT&T, began to route its outgoing traffic to Cuba through third countries, which was not accepted since it had not been arranged with the Cuban side because of the refusal of the U.S. Government to authorize the payments owed to Cuba for this service, and also because it caused a serious overload on those routes, which affected our outgoing calls as well as incoming calls from other countries with which we do have stable arrangements for collection and payment in accordance with international practice.

This unfortunate interruption of the lines, combined with the economic situation our country is experiencing—which forces us to allocate the limited resources available in hard currency to more urgent necessities—has made it impossible for us to reestablish this service through alternate routes, which would involve heavy expenditures in hard currency. Moreover, the harsh embargo imposed by the U.S. Government on our country has seriously hindered the negotiations our enterprise which operates this service, Entelcuba, had been carrying out with its U.S. counterpart, AT&T, with the aim of normalizing service through an underwater telephone cable which was laid in 1989 and had been planned to replace the archaic and obsolete radio system which has just been interrupted.

Cuba's demands for just and reasonable dealings insist that our operating enterprise be paid its part of the operating costs since 1966, which the Yankee government has been holding and which total more than $80 million. Cuba also demands that an agreement be signed that will promote the normalization of telecommunications services between the two countries based on fair rates, equality, and mutual respect. With regard to this agreement, the U.S. Government is not permitting AT&T to pay what in fairness is owed to us. Originally, it totally refused any authorization; then limited it to a minuscule, fixed annual amount; and finally restricted it to partial payments according to formulas which are also unacceptable.

For all these years, Cuba has made every effort to maintain telephone communications with the United States, despite the aggressive, hostile, illegal, and criminal embargo policy practiced by Washington. Under the conditions of a country subject to an embargo and harassment by the government in the White House, we have continued to use our human, material, and technological resources to maintain telephone service with that country, despite the fact that we have not received a single cent of what is legally and justly owed to us.

We moved to do this out of a humanitarian desire to maintain the contacts between the Cuban populace and their relatives residing in the United States; but our country's economic situation has changed substantially. Thus, we cannot continue to invest our scarce resources in that way. We have repeatedly warned that the precarious conditions of the tropospheric radiotelephone link between Cuba and the United States or a natural disaster

could lead to a loss of direct telephone communications between the two countries at any time.

It is fair to acknowledge that AT&T has persisted in presenting to the authorities in Washington the need to implement the service agreement negotiated with Entelcuba and the other measures which would make it possible to normalize telephone service. If this has not been achieved and we have reached the extreme case of a total break in telephone communications, it is simply due to the irresponsible and arrogant attitude of the Yankee authorities. If Washington is truly sensitive to the humanitarian needs of the Cubans who reside in the United States, it should begin by turning over to Cuba what is legitimately owed to us for telephone communications, and pay the more than $80 million they owe us.

Dominican Republic

* Government Makes Partial Debt Payments

92CA0193A Santo Domingo EL SIGLO (Financial Section) in Spanish 9 Jul 92 p 3-D

[Report by Jose Mercedes Feliz]

[Text] During the first quarter of 1992, the Dominican Government paid $142.1 million (1.7763 billion pesos) to service the foreign debt, while interest and principal payments should have been 3.7788 billion pesos.

According to data from the National Budget Office (Onapres), the government is supposed to make quarterly payments of 2.2713 billion pesos for interest and 1.5775 billion pesos for principal, under an agreement with the IMF.

Revenues from the 15 percent tax on foreign currency exchange and the fuel differential tax have been applied to service the foreign debt. Both taxes brought in a total of 696.6 million pesos during the first quarter.

In January 1992, service on the foreign debt amounted to 346.3 million pesos. In February it was 175 million pesos, and in March it was 100.4 million pesos.

In January 1991, foreign debt service was 108.8 million pesos; in February, 256.3 million pesos; and in March, 251.3 million pesos.

Regarding outlays by the central government for foreign debt payments, the government should have disbursed 960 million pesos, but it was only able to pay 605.5 million.

This means that the government complied with 63.1 percent of the terms agreed upon with the IMF.

Meanwhile, foreign and domestic fiscal revenues, of which part must be allocated for payment of the foreign debt, amounted to 1.0661 billion pesos in January 1992, 1.1499 million pesos in February, and 193.3 million pesos in March, for a quarterly total of 3.4728 billion pesos. Revenues in dollars in January 1992 were $4.3 million. In February they amounted to $5.7 million, and in March they rose to $9.7 million. The total for the quarter was $19.7 million.

In January 1992, the fuel differential tax brought in 110.3 million pesos, 149.1 million pesos in February, and 156.1 million pesos in March. The total for the quarter was 415.5 million pesos.

The currency exchange surcharge on imports came to 85.7 million pesos in January 1992, 82.3 million pesos in February, and 113.1 million pesos in March, for a quarterly total of 281.1 million pesos.

* Jan-May Trade Deficit Reaches $582 Million

92CA0193B Santo Domingo EL SIGLO (Financial Section) in Spanish 9 Jul 91 p 1-D

[Report by Jose Mercedes Feliz]

[Text] The Dominican Republic's trade deficit with the rest of the world grew significantly during the first five months of 1992, the Central Bank reported.

According to the bulletin "Principal Economic Indicators for July," the country's commercial transactions during the period January to May registered a deficit of $581.9 million, while during the first four months it was $457.5 million.

This was because exports of goods were only $244.9 million, while total imports were $862 million.

During the same period of 1991, exports were $365.2 million, which means that exports this year have declined by $120.3 million, or 32.9 percent.

Imports during the first five months of 1991 were $673 million, while during the same period in 1992 they rose to $826 million, an increase of 22.7 percent.

From January to May 1992, imports of petroleum and its derivatives reached $204 million; coal, $4 million; food products—including fats and vegetable oils imported by the Institute for Price Stabilization (Inespre)—totalled $4.4 million; wheat, $18.8 million; and other products, $594.8 million.

During the same period of 1991, imports of petroleum and its derivatives totalled $174.5 million; coal, $7.7 million; food products—including fats and vegetable oils imported by Inespre—$21.8 million; wheat, $17.1 million; and other products, $451.9 million.

From January to May 1992, exports of sugar and its derivatives were valued at $74.5 million, coffee and coffee products at $8 million, cacao at $17.1 million, tobacco and tobacco products at $10.1 million, minerals at $83.9 million and other products at $51.3 million.

During the same period of 1991, sales abroad of sugar and its derivatives were $130.9 million; coffee and coffee products, $21.6 million; cacao, $18.7 million; tobacco

and tobacco products, $8.9 million; minerals, $130.9 million; and other products, $54.2 million.

Total exports during 1991 were $650.7 million, while imports reached $1.7132 billion.

The deficit in 1991 was $4.2 million larger than the 1990 deficit of $1.0583 billion due to an 11.4 percent reduction in the value of exports. A larger deficit was avoided due to a 4.4 percent decline in imports.

The decrease of $83.8 million in the value of exports in 1991 was due primarily to a reduction in the volume of exports, except for molasses and coffee and tobacco products.

Prices decreased for ferronickel, gilt [dore], and crude cacao.

* Japan Donates 30 Million Pesos for Rice Plan

92CA0193D Santo Domingo EL SIGLO in Spanish 26 Jun 92 p 2

[Report by Elina Maria Cruz]

[Text] The Japanese government donated 30 million pesos to the Dominican Republic on 25 June to further the project "Increasing Rice Production in the Rio Camu Basin Areas, El Pozo and La Vigia". The Asian nation has contributed 270 million pesos to this project to date, as part of a package of grants to the Dominican Republic.

The Japanese ambassador, Katsuhiko Tsunoda, and Foreign Minister Juan Aristides Taveras Guzman signed the grant agreement during a ceremony at the Foreign Ministry.

The donation, consisting of grants of fertilizer, farm machinery, and chemicals, is the eighth that Japan has made for the advancement of this project.

Using data supplied by the Secretariat of Agriculture, Tsunoda pointed out that Japan's grant assistance to increase rice production has helped to raise the yield per tarea from 4.03 quintals in 1985 to 4.56 quintals in 1991.

He indicated that the increase has also been substantial in areas that have benefitted directly from the project. As an example, he cited the case of La Vigia, Dajabon, where yield per tarea increased from 4.16 quintals in 1985 to five quintals in 1991.

He said that the rice harvest this year will exceed the amount the country needs to feed itself and that, according to news reports, the country will produce some 3 million quintals in 1992.

Tsunoda also remarked that the Dominican Republic can also benefit from other funds from Japan for agricultural projects through the "peso counterpart fund". This fund is created from the sale of donated agricultural production materials.

According to the ambassador, this fund amounted to 7.7 million pesos in 1991, which were spent in carrying out projects involving pepper production (1 million pesos), rat control, construction and repair of infrastructure in the Rio Camu areas, La Vigia, and El Pozo (1.9 million pesos), reforestation of the Janico River Basin (1.9 million pesos), and the expansion of the agriculture-livestock research department and experimental centers (7.8 million pesos).

The diplomat said that he hoped the fund would be used fully and efficiently for the development of agriculture. Foreign Minister Juan Aristides Taveras Guzman expressed appreciation for the grant, as well as his special recognition for the help Japan is providing for the increase of agricultural production. He promised that the funds would be put to good use.

The under secretary of agriculture, agronomist Pedro Rijo, and Vice Foreign Minister Fabio Herrera Cabral also took part in the signing ceremony.

Haiti

Senate To Investigate Commercial Operations

FL0809194692 Port-au-Prince Radio Metropole in French 1045 GMT 8 Sep 92

[Text] A Senatorial Investigation Committee has been formed to investigate commercial practices in the country. Three members of the Senate, Amos Andre, Guy Bauduy and Bernard Sansaricq, are on the committee. The committee, which is opening some burning issues on financial scandals, has requested the support of the Supreme Court of Audit and the assistance of a legal firm. Compilation of files will start on 8 September prior to summoning sessions, based on the revelations by Senator Sansaricq.

Mr. Bernard Sansaricq has noted the lack of certain raw materials on the market. In a press release sent to our editorial staff, the accusing senator points out to the appropriate ministers that since 4 September there has been an artificial shortage of cement. On the other hand, cement can be bought at the high price of $12. According to the parliamentarian, this construction material is strangely stocked.

Commerce Minister Replies To Senate Critic

FL0809181792 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 8 Sep 92

[Report on news conference by Commerce Minister Saidel Laine in Port-au-Prince on 7 September — recorded]

[Excerpts] Commerce Minister Saidel Laine convened the press on the morning of 6 September to take his stand on Sen. Bernard Sansaricq's statements at the parliament last week concerning the management of the authorities

in charge of public funds. In his statements, Sen. Sansaricq criticized the Commerce Ministry for its refusal to authorize a nongovernmental organization [NGO] to clear rice and peas through customs whereas, the senator says, smuggled products enter the country without problems. The commerce minister said it is normal that the goods of this NGO, called Food for the Poor [preceding words in English], experience a delay at the customs service because frequently the NGO's operating in Haiti disregard their mission of helping the people and engage in trade.

Minister Laine, who explained that the Commerce Ministry is not in charge of customs in the country, said that his ministry had authorized Food for the Poor to import 160,000 pounds of rice and peas, adding that those two products cannot enter the country if no permit has been issued for that purpose. [passage omitted]

The commerce minister said that he regrets that Sen. Sansaricq has involved him in the smuggling being done in the country. Mr. Laine, who presented himself as a corruption fighter, challenges anyone to prove that he is involved in any form of corruption at the ministry. His news conference was a reply to Sen. Sansaricq's statements in a session at the parliament on the mismanagement of public funds by the main financial authorities in the country. During that session, held on 2 September, Sen. Guy Bauduy proposed that his colleagues ask for the dismissals of the finance minister and the governor of the Central Bank because, according to Sen. Bauduy, these two have misused the public funds to the extent that the parliament cannot trust them.

Sen. Sansaricq supported Sen. Bauduy's opinion and even referred to $300,000 that vanished from state coffers under the Honorat government and to smuggling that has resumed under the Bazin government. These statements prompted Bonivert Claude, governor of the Central Bank, to write to the president of the Senate to tell Sen. Dejean Belizaire that the Senate of the Republic does not have the right to interfere in files regarding an institution like the Bank of the Republic of Haiti [BRH]. The Central Bank governor believes that only the Supreme Audit Office has the right to intervene in the management of the BRH.

'Black List' of Assassination Targets Reported

FL0809181692 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 8 Sep 92

[Text] In a news conference held last week, the National Front for Change and Democracy Parliamentary Bloc [BP-FNCD] denounced the acts of repression and human rights violation prevailing in the country. The parliamentarians asked authorities to take steps to prevent the recurrence of those actions and announced that the front would establish a Port-au-Prince office to receive complaints from all those who are victims of violence in Haiti.

On 7 September, the National Front for Change and Democracy [FNCD] parliamentarians signed a note to advise the people and all human rights organisms that a black list containing the names of several parliamentarians is circulating. According to the BP-FNCD note, two senators and six deputies are designated for death on that list. Those parliamentarians are Senators Wesner Emmanuel and Turneb Delpe and Deputies Joseph Fignole Jean-Louis, Edmond Mirold, Patrick Norzeus, Joseph Rindal Pierre-Canel, Samuel Madistin, and Gary Guiteau.

The BP-FNCD, which did not reveal whether the list includes names of members of other parliamentary blocs, says it will always believe in change and democracy. The BP-FNCD note was signed by Senator Turneb Delpe and Deputy Joseph Fignole Jean-Louis.

CONACOM Denounces Murder of Peasant Leader

FL0809181592 Port-au-Prince Radio Soleil Network in Creole 1100 GMT 8 Sep 92

[Text] The National Congress of Democratic Movements [CONACOM] has denounced the murder of member Marcel Fleurzil and has condemned the fact that people are being persecuted in the country. According to a note published on 5 September, CONACOM advises that Marcel Fleurzil was murdered near the Teleco [Haiti telephone company] building in Pont-Morin during the night of 3 September.

CONACOM, noting the many gunshots that night, says that Marcel Fleurzil is one of the members of the party obliged to leave his home because he had been persecuted for four months. Marcel Fleurzil died at the age of 55. He was a peasant leader in the commune of Sarazin, near Mirebalais, according to the CONACOM note signed by the secretary general of the party, Professor Victor Benoit.

Deputies Approve Law on Territorial Communities

FL0409203292 Port-au-Prince Radio Metropole in French 1600 GMT 4 Sep 92

[Excerpt] On 3 September, the Chamber of Deputies approved a specific law regarding procedures for the election of assemblies and councils of the territorial communities. It is a 20-article law providing for, among other things, the establishment of the departmental assemblies from which the Permanent Electoral Council can be formed. Deputy Joseph Lambert explains: [Begin Lambert recording] It is a law that will help to quickly set up the assemblies, the councils, and even the Permanent Electoral Council. A first law had already been voted on the organization and running of the communal section. This law includes several articles; other laws will soon follow and will define the modes for running the communes and the departments.

This law is very specific and deals only with the election procedures for the assemblies and for the councils of territorial communities.

For a time, the parliament was so involved in the negotiations process that it put us in a difficult situation as far as our parliamentary work; also, we are going on vacation. The Constitution provides structures and we feel that it is important to vote a series of laws allowing the establishment of those structures. Thirdly, we think that by December one-third of the Senate must be renewed; if we want a parliament to exist, it is standard to pass this law in order to set up those different structures. [passage omitted] [end recording]

Interior Minister Summoned by Lower Chamber

FL0409203492 Port-au-Prince Radio Metropole in French 1600 GMT 4 Sep 92

[Text] The minister of interior has been summoned by the Chamber of Deputies on 9 September. The authors of this summons intend to question Minister Carl Michel Nicholas on the government's efforts toward the reintegration of local elected officials. Antoine Joseph, Joseph Lambert, Walto Augustin, Geffrard Etienne, and Denis Saint-Fort also want to hear the minister's words on cases of repression that have occurred in the nation.

Nicaragua

President on U.S. 'Pressure,' 'Interference'

PA0809192892 Managua Sistema Nacional de Television Network in Spanish 2330 GMT 7 Sep 92

[Passages within quotation marks are recorded]

[Text] President Violeta Chamorro said her government will not accept pressure or interference of any type, referring to an inspection visit by a U.S. delegation. The delegation will be lead by John F. Maisto, U.S. under secretary of state for Central America, who recently visited the country. These are President Chamorro's comments:

[Chamorro] "The time has come to speak out clearly. I will not accept pressure from anyone. I want to be friends with the United States, but without their interference. A commission came here; I do not know who sent them. The commission came to set out certain conditions. I, Violeta, do not accept these conditions because I am the president of the Republic, it is not Daniel Ortega, who has been talking as if he were president. He lost, he lost his.... [changes thought] This must be cleared up too. There is no reason for him to be making those statements. I, the president of the Republic, have not made those statements. These gentlemen came here to impose some conditions that I do not know if I can accept."

[Unidentified reporter] "What were these?"

[Chamorro] "I, President Chamorro must have a group of advisers. I will not accept.... [changes thought] I have my cabinet. Not in Costa Rica, in Ecuador, or in any place in the world is a president going to accept the imposition of a board of advisers, a group of notables, or whatever they call them. In this regard, I, Violeta, who is sitting right here, am the president of the Republic, I was elected by the people, by the Nicaraguan people, and I will complete my presidential term."

Regarding statements issued by Daniel Ortega, President Chamorro commented:

[Chamorro] "Daniel Ortega is talking too much these days; he should stop talking. I repeat once again, he should close his mouth, he should zipper up. I am the president now, not he. Maybe he will be president in the future, as he is making peace with the United States."

Regarding U.S. aid, President Chamorro said if it does not arrive, we will have to work harder, although she said she was confident the aid will arrive:

[Chamorro] "If the aid comes, it is welcomed, as this is a commitment the U.S. Government and people made to the Nicaraguan Government and people. If it does not come, let us get down to work. As I have always said, we cannot continue thinking that everything is going to fall from the sky, for heavens sake. Let us get down and plant corn or whatever so that we can have production in this country."

President Chamorro called for unity in light of the difficulties.

[Chamorro] "I have not lost hope that all Nicaraguans will join to save this nation from the terrible abyss we have been in for many years."

President Chamorro expressed her gratitude for the aid received from Venezuela in the wake of the disaster the hit the Pacific coast.

Lacayo Speaks at Land Title Ceremony

PA0409210192 Managua Radio Nicaragua Network in Spanish 2310 GMT 2 Sep 92

[Speech by Presidency Minister Antonio Lacayo at a land title distribution ceremony in Waslala on 2 September—recorded]

[Excerpts] [passage omitted] I have come to Waslala to legalize the distribution of 11,900 manzanas of land to 342 peasant families, who were in Mrs. Violeta's [Chamorro] heart when she visited Matagalpa Department during her electoral campaign. I have come to Waslala to legalize the land given to peasant families and former members of the Nicaraguan Resistance who demobilized in 1990. I have come to legalize the lands given to peasant families uprooted from their lands, who went into exile and now have repatriated themselves in the hope of a better future. I have come to legalize the lands of traditional farmers and small producers who have been settled in these areas for many years, but had never received land titles for their properties.

I have come to Waslala to support publicly all of the peasants who received Agrarian Reform land titles or were assigned lands by the democratic government. I must clearly state that no one who has received land will be stripped of his legal rights. [applause] [passage omitted]

I have also come to Waslala to announce the fulfillment of another promise. I have come to Waslala on Mrs. Violeta's behalf to assure all who trusted this government and Mrs. Violeta that she has decided to resolve favorably all of the legitimate claims presented in a timely manner to the Office of the Attorney General. This leaves only the cases affected by Decrees 3 and 38, which will be decided upon by the National Revision Commission, which Mrs. Violeta will reactivate for this purpose on 9 September.

Therefore, all who trusted in her will have a favorable resolution from the moment Mrs. Violeta makes the announcement on 9 September. The cases affected by Decrees 3 and 38 will be examined by the National Revision Commission. Mrs. Violeta Chamorro's fair and noble decision to resolve favorably all legitimate claims implies that all the claimants and all who have suffered injustices and dispossession will have an answer: Lands will be returned when they are under government control and can be returned or through compensation when there is no other alternative.

Each case will be examined by the National Revision Commission, which will be presided over by the property attorney. Our president will create the Office of the Property Attorney on 9 September, which will become part of the Office of the Attorney General for Justice. The Office of the Property Attorney will receive the files pending resolution which, after an intense effort of compilation and computation at the presidency, are now in order and tabulated to facilitate their examination and resolution. [passage omitted]

For this same reason, the democratic government will continue to return to their legitimate owners those properties that are still in the state's power, although I must stress the state does not have much left. Nevertheless, there are other farms and homes, a number of them in fact, that were not under government control when Mrs. Violeta Chamorro took office on 25 April 1990. These farms and homes were previously turned over to third persons—this was the case for people who benefited from the Sandinist government's agrarian reform and from Laws 85 and 86.

We all know that in a state of law no one can unfairly strip people from their plots of land and homes and return them to their former owners. For this reason, the return of property is impossible in many cases. It is in these cases that President Chamorro's pledge will take the form of a fair compensation based on the value of the property involved, the debts owed the state and the banks, and the country's economic resources. Each of the persons affected, whose right for compensation is recognized by the National Revising Commission in accordance with these guidelines and the existing laws, must go to the assessment office President Chamorro will create in September. This office will be attached to the Finance Ministry. Once the person submits the compensation resolution and other necessary documents, the office will issue a certificate stating the amount each of the persons lost. The compensation policy to be applied on those affected can then be devised. [passage omitted]

Obedience to the rulings and resolutions issued by courts and judges is mandatory for the government authorities, organizations, and the juridical persons involved. The president of the Republic must obey and enforce the law, with support from the Attorney General's Office, the National Police, and, in cases of urgent need, the Army. For this reason, we are working with the Army and encouraged the transformation of machinery earlier designed for fighting to machinery to support the peace and coexistence efforts. For 28 months, this process has led, not only to an unprecedented reduction in the number of men with weapons in our country, but a change in the inventories and instruments without diminishing discipline and training.

The professionalization and training of the National Police, including the promulgation of its organic law late this week, has also been started so it can more effectively combat crime, regardless of its origin, and protect the lives and properties of Nicaraguans, regardless of their political inclinations. President Chamorro's democratic government is committed to preserving public order and guaranteeing the full exercise of the Nicaraguan people's rights. This includes those who benefited from the Sandinist agrarian reform, those who benefited from the delivery of land ownership's deeds to the demobilized, traditional owners who were never affected, and those who have received their property back from the state.

Our country's fields, valleys, and mountains are much safer now. They will be safer tomorrow than today. With thousands of weapons in the hands of civilians, even after the Nicaraguan Resistance was demobilized and the People's Militia were disbanded, the task that our police and Army faced in 1990 was extremely difficult. The recontras and recompas, who emerged last year, were demobilized early this year. The special disarmament brigade, with us here in Waslala, so far in 1992 succeeded in discovering 42,108 military rifles, almost 10,000 grenades, almost 10,000 antipersonnel mines, an impressive quantity of ammunition—more than 6 million rounds—and other supplies that only served to make war, substantially changing the security situation. [passage omitted]

Contra Denies Existence of 'Extermination Plan'

PA0509132892 Managua Sistema Nacional de Television Network 2330 GMT 3 Sep 92

[Report by Jorge Catin From the "Extravision" newscast]

[Text] One of the arguments brandished by U.S. right-wing groups has fallen apart. In northern Nicaragua there is no knowledge of an alleged extermination plan against former Nicaraguan resistance leaders.

U.S. Republican congressmen and senators have used the excuse of the existance of an alleged extermination plan against former resistance leaders and fighters as one of their most important arguments to justify the withholding of aid to Nicaragua. In Waslala, however, the scene of some of the most bitter fighting between Sandinists and Contras, the former Contra leaders deny the existance of any plan. Instead, the former resistance fighters have pointed out that the principal problem in the region has economic roots.

[Begin recording] [Unindentified reporter] Do you believe that the local Sandinist leaders have organized a plot to exterminate you? Do you believe in the existence of such a plot?

[Former Nicaraguan resistance leader Adan Gonzalez, alias Commander Dimas] No. We have no information related to the existance of any plot. To be quite honest, we are giving the report the benefit of the doubt because we have no information about it.

[Reporter] Do you feel persecuted or threatened in any way?

[Dimas] Personally, I can honestly say that I have had very good relations with the municipal authorities. We

have worked together with the government authorities on several projects. For the past two years we have worked peacefully in this region. I am respected as a former commander, and I respect them because they are still wearing military uniform. We are aware that they are the authority.

[Reporter] The government authority in the region includes military personnel?

[Dimas] That is correct. [end recording]

Government Delegate Jose (Brito), who after the first few months after the UNO [National Opposition Union] coalition came to power was well known for his openly hostile attitude, also believes that reports related to a so called extermination plan are groundless.

[Begin recording] [Reporter] Do you believe that there is an extermination plan in the region? How has the reconciliation plan progressed in this community?

[(Brito)] The reconciliation plan is moving along. Tension has declined significantly with the land distribution program which has finally become a reality. The people are more interested in working. There are demobilized groups here today who are preparing to receive their land titles. However, there is still a significant amount of demobilized who will not be receiving their land documents today and still are pending. We expect the government to speed up the distribution program. [end recording]

We did not observe a paradise in Waslala. Neither did we see hugs and kisses between Sandinists and Contras. However, we did see a clear effort by both sides to mend the still fresh memories of the war. Most of all, we did discern an urge to work.

Ortega Announces Conclusion of Force Reduction

PA0509133292 Managua BARRICADA in Spanish 3 Sep 92 p 5

[Text] General Humberto Ortega, chief of the Sandinist People's Army (EPS), said on 2 September that "there will be no further reductions in force" within the military ranks, thus ending a reduction in force process that has left the Armed Forces currently with "a little under 17,000 men."

Speaking to reporters after a very brief event commemorating the 13th anniversary of the EPS, Ortega regretted that Army Day coincided with the disaster caused by the tidal wave that hit Nicaragua's Pacific coast, but he took advantage of the presence of a small group of reporters to say "the reduction in force process has concluded."

Ortega said the EPS "has undergone a difficult and complex situation" over the past two years, but despite the obstacles "and certain misunderstandings," the Army can now "devote itself fully to its modernization."

In this regard he explained that a process is under way within the Army to "reorganize a number of units so they will be more adapted to the national defense doctrine," which during peacetime allows the military to do civil defense work and support the struggle against drug trafficking.

"The Army is firm," Ortega said, "there are less of us but we are stronger, like the essence of a perfume, which does not come in barrels." He added that 13 years after the EPS creation "we can say that we have fulfilled our mission... and 20 years hence, with the comrades who will follow us, we will say that this mission has been fulfilled 100 times."

Gen. Ortega explained, nevertheless, that although the EPS ranks have been reduced, the EPS is still the "backbone" of the country's defense. He said that the Army is willing to "fulfill its constitutional duty of providing the people with the capability to defend themselves with rifles if the fatherland is threatened."

"That has not changed," he insisted.

Meanwhile, Ortega dismissed the charges by Senator Jesse Helms' Washington offices regarding alleged "secret plans" and corruption within the EPS.

"This is totally false," he tersely responded, adding that the charges are being made by "reactionary sources which are Nicaragua's enemies;" individuals in Nicaragua as well as the United States "who are still lending themselves for such falsehoods."

Regarding the controversial sale of Soviet-made helicopters to Peru, Ortega announced that on 4 September at the National Assembly he will provide "additional details" regarding the transaction to the members of the Economic Affairs Commission.

The military chief, nevertheless, denied that a middleman was used in the transaction with Peru, which was "directly" handled by Major General Joaquin Cuadra, the EPS chief of staff.

"On 4 September at the Assembly, I will be able to provide more information," Ortega said, taking leave after placing a wreath on the Soldier of the Fatherland Monument along with the military attaches of the embassies accredited in Managua, which was the only homage paid the 13th anniversary of the EPS.

D. Ortega on New Police Chief, U.S. Aid

PA0809154192 Managua EL NUEVO DIARIO in Spanish 7 Sep 92 pp 1, 8

[Report by Vladimir Lopez]

[Text] Former President Daniel Ortega stated now that the Nicaraguan Government yielded to U.S. Government pressures and removed the chief of police, "it is President Bush's turn to satisfy his obligation and unfreeze the aid."

On request from Republican Party Congressman Jesse Helms, the U.S. Government had frozen more than $100 million in aid allocated for Nicaragua demanding, among other things, that the high command of the National Police be removed.

Ortega said: "The ball which was on this side, the enormous pressure applied by the Yankees, is now on the other side. Let us see if President Bush and Secretary of State James Baker [name and title as received] meet their pledge to the Nicaraguan Government that the aid would be available once the chief of police was changed.

Ortega predicted the next few days will be decisive "because the U.S. Government's word is at stake. We will see if it fulfills its pledges."

"The government gave in to a request without reason, but it gave in and fulfilled its word. We will now see if the Yankee government fulfills its word," Daniel stated.

Referring to the same issue, the Sandinist National Liberation Front [FSLN] leader gave his full support and confidence to new National Police Chief Fernando Caldera, who has faced a slanderous campaign from certain extreme right groups since his appointment.

He said the fact Fernando Caldera is in charge of the police "gives it stability" and, aside from being supported by the Police Organic Law, "this will give stability to the police." After publicly stating his support to Caldera, the FSLN leader said Rene Vivas' retirement is a violation of the institutionalism the government must defend."

Daniel criticized Vivas' dismissal but he revealed the FSLN did not wholly oppose this because it defends the armed corps' internal order as such rather than the cadres.

He said: "Logically, we would not launch an overall opposition to Comrade Rene's dismissal because the important thing is to defend the institutionalism of the police."

"No one will be able to say the Sandinists stubbornly adhered to their position regarding Rene Vivas' removal. Although we do not applaud it, politically speaking, we cannot prevent it either because we are not in the government." The former president, who visited the International Money Fund workers who have been on a hunger strike for 13 days, said: "What we would have not admitted was the appointment of a civilian to replace Rene, and that goal was achieved."

Daniel revealed the plan was to appoint a civilian as chief of police, appointed by an ad hoc commission that would be formed by "well-known right wing leaders" who tried to "manipulate" Cardinal Miguel Obando y Bravo.

Ortega said the cardinal's name was proposed, "without consulting him," for appointment to the commission that would designate the chief of police in an attempt "to usurp government authority." He added the pressure exerted on the Sandinist People's Army [EPS] and the Supreme Court of Justice "are issues included in the agenda of extremist Nicaraguan and U.S. groups."

Daniel said the campaign against the EPS, the Supreme Court of Justice, and the police will continue. He added the government must be convinced "it cannot make anymore concessions."

Mendieta, Caldera, Aviles Hold News Conference

PA0609140092 Managua Radio Nicaragua Network in Spanish 1705 GMT 5 Sep 92

[News Conference by Government Minister Alfredo Mendieta Artola; Fernando Augusto Caldera, the new director general of the National Police; and Roland Antonio Aviles, the new deputy government minister for citizen's security, with an unidentified moderator and domestic and foreign correspondents in the Meeting Room at the Presidency in Managua; broadcast in progress—live]

[Excerpts] [Mendieta] ...on that date in 1990 a cooperation protocol was signed with Spain and we have worked intensely with various advisory commissions to organize what has culminated on 5 September with the proclamation of the organic law. Two other agreements were signed: one in April 1991, which broadened the concepts established in the first agreement; and in June 1992 during Presidency Minister Antonio Lacayo's visit to Spain, more comprehensive discussions were held regarding certain other types of cooperation, which concluded with my visit to Spain to sign a new protocol, which has resulted in the presence in this country of a number of Spanish advisers who will work with us on the organic law and various aspects of the [National Police] professionalization.

The Spanish advisers will also contribute significantly to the organization of the National Police Academy, which will open this very year. The Government Ministry has already made a large investment in order to have adequate buildings for the academy, and we are also expecting a large quantity of technical equipment and advisers from Spain who will contribute to this institution where members of the National Police will be trained.

The National Police organic law—pardon me, I must point out that I failed to mention the appointment of Mr. Ronald [as heard] Aviles as deputy [government] minister; he will be in charge of the National Police, and will work strictly and closely with me on all issues pertaining to the National Police.

The organic law basically deals with what constitutes the National Police and how it is organized; it deals with the National Police functions and performance, and contemplates the basic principles that govern the performance of policemen, as well as various aspects of the police career. In other words, the law defines the police officer's role as public servant and broaches various aspects of the police officer's labor system, and there is also a very important chapter on police duties. The organic law also includes a disciplinary system that establishes all of the rules governing discipline and policemen's professional rights, and there is also a chapter with clear rules on

ranks and promotions as well as appointments and dismissals. These topics are defined clearly in the law, which will be published and distributed to you on 7 September.

These are the most important aspects of the organic law; in my opinion it is a tool that attempts to give the Government Ministry a legal framework through which to regulate its conduct and totally preserve its institutionality.

We are attempting, through the mandate the president bestowed upon the Government Ministry, to contribute to guaranteeing the Nicaraguan people's freedom. Gentlemen, I thank you very much for your presence here. I am here to answer any pertinent questions you may have. Nevertheless, before doing that I would like to point out that the Government Ministry has issued a communique, the text of which reads:

The Government Ministry reports to the citizenry that, within the framework of our institution's reorganization, the following officials will retire effective today: Brigade Commander Rene Vivas Lugo, Regiment Commander Juan Jose Ubeda, Regiment Commander Jose Figueroa Aguilar, Commander Roger Cabezas Gomez, Commander Javier Lopez Lowell, Commander Gloria Campos Canas, Commander Marcos Arevalo Aleman, Commander Francisco Hurtado Mora, Commander Auxiliadora Cruz Alonso, Deputy Commander Nestor Moncada Lau, Deputy Commander Mario Noguera, and Deputy Commander Alberto Vasquez Gomez.

[Issued] Managua, 5 September 1992.
[Signed] Department of Public and International Relations, Government Ministry.

[Moderator] We will now begin the question and answer period. Bernardo Hernandez.

[Hernandez] [Words indistinct] we wanted to know what are the basic duties and responsibilities of the police, inasmuch as the human rights commissions, headed by Dr. Lino Hernandez and Dr. Mateo Guerrero, are interested in these topics, and they are even in contradiction with Dr. Vilma Nunez de Escorcia. These contradictions have been made public. Could you clarify this please?

[Mendieta] Well, I really do not see what these contradictions are. The duties are within an absolute respect for the Constitution and obedience. The professional actions are within a framework of integrity in fulfilling its duties and absolute political neutrality in its actions. In addition, we could speak about many other aspects that will be made public when copies of the organic law are given to you on 7 September.

[Moderator] Alejandro Acevedo of Radio Corporacion.

[Acevedo] Good morning. The announcement made on 5 September naturally has created much expectation among the people. Mr. Minister: With regard to the appointment of Commander Caldera as the new director general of the police, we received on 5 September over 100 telephone calls from Granada and Chontales saying he violated human rights while he was working in Chontales. These callers reminded us of the outrages committed against Monsignor Pablo Antonio Vega. How long is Caldera going to be director general of the police, and were these charges taken into consideration when he was appointed?

[Mendieta] In the first place, I believe that Caldera can explain very well his relationship with Msgr. Pablo Antonio Vega. I merely will say the following: When I was called to join the Government Ministry by the president, who demonstrated her trust in me, we proceeded to work intensely on the project to reform and reorganize the National Police. Many aspects were duly considered in the decisions that have been made so far. One of the most important aspects precisely was to evaluate the actions of the various members of the police and those aspects within the framework of national reconciliation that the Republic's government was engaged in.

Bearing in mind those two aspects, we reached the conclusion that Commander Fernando Caldera was qualified for the post and that the various comments that were made were during times of war when some situations cannot be controlled, even by some chiefs. We have insisted that Nicaragua needs to leave behind the war and think about the future. Nicaragua needs to search for new mechanisms of integration and of a relationship between the civilian society and the state that will allow leaving behind these various aspects so we can make progress in our production.

What has held us back in Nicaragua? We have been held back precisely by some persons who are harassing and inciting war, rebellion, and even ousting this government. We have left behind the tasks of reconstructing this country. This reconstruction is needed urgently in the fields of morals, production, internal relations, in all aspects of our national life.

Therefore, I would like Fernando himself to answer about his relationship with Msgr. Pablo Antonio Vega.

[Caldera] I believe it is important to clarify this type of situation, and confirm that I have a good friendship with Msgr Vega. When he returned to the country, we constantly consulted and met with him. Some of these meetings were even made public by him on the radio. We have a good friendship. I greatly respect Msgr. Vega, and I am his friend. Unfortunately, I was transferred to Region Four, but while we were in the area we had a good relationship. In addition, I respect the pastoral work he is doing in Nicaragua, particularly in the Chontales area.

[Moderator] Antonia Gonzalez, of NOTIMEX.

[Gonzalez] [Words indistinct] what was the criteria used for appointing the new director general? Inasmuch as Rene Vivas, who is a Sandinist was removed, what was the criteria used for appointing Caldera?

[Mendieta] Look, the term in office of the new director general of the National Police is four years. The reasons for retirement and other aspects have also been taken into consideration. I previously said that we valued all possibilities. Mr. Vivas is not retiring because he is a Sandinist. He is retiring because of a reorganizational process. At this time, we must think that we are the government, and as such, we are neither anti-Sandinist nor pro- Sandinist. The government's duty is to preserve the institutionality of the nation, and in order to do this we must also reorganize the hierarchy of the National Police according to the organic law.

We have had several contributions, for example the Spanish experience that has been the most important advice we have received in the last few years. We feel that the example of Spain has been very beneficial, and the process of reorganizing the National Police was not done based on replacing people. Spain did not replace people, as we have done now in Nicaragua. Therefore, politics has not prevailed at this time, but rather the capabilities and professional responsibility that we have seen in Commander Caldera have determined that he take over his post in the National Police.

I would like to recall that in Nicaragua we are living in a state of freedom that is truly efficient, we are within a framework of absolute freedom, where the actions of the chief of police will be carefully supervised by all of Nicaraguan society, and naturally the authorities. In this case, in this process of Nicaraguan integration, we must take full advantage of opportunities and experiences. We feel that Mr. Caldera has had the opportunity and has sufficient experience to be the new director general of the National Police.

[Moderator] William Briones of Radio YA.

[Briones] You (?are aware) of U.S. pressure to appoint a civilian as National Police chief. A deputy government minister, a civilian, was just appointed to that post. Is this a result of U.S. Government pressure under the promise to free financing frozen since May?

[Mendieta] We have said clearly this reorganization process started ever since the president assumed power in 1990. The appointment of a deputy government minister for security matters is also part of our reorganization efforts and analyses. Unfortunately, there was a coincidence between what you describe as U.S. pressure and the appointments we are making that were included on the agenda of the Government Ministry by order of the president.

Coverage by the media, which distorted some aspects of this issue, actually delayed reorganization efforts that were already under way. We could have done this earlier because this was scheduled to take place at an earlier date. There is tension over different positions. There have been attempts to politicize the reform of the National Police. We want to clarify categorically there is no political or party interest in the reforms. It is a government policy; a reflection of the political determination of the goverment to deepen these reforms.

I think the presence of a man such as Ronald [as heard] Aviles is guarantee of capability and responsibility, and that we will have a great collaborator. This post exists in other countries, especially in European countries and in some Latin American countries, where deputy ministers of this sort assist the ministers in fulfilling their duties.

[Moderator] Luis Mora of Radio Catolica.

[Mora] I would like to ask new Deputy Government Minister Ronald Aviles what will be his work plan as deputy [as heard] of the new police chief and as deputy government minister.

[Aviles] My specific duties will be those assigned to me by the new Police Basic Law. Government Minister Alfredo Mendieta already told you the new basic law will be in your hands beginning on 7 September. The duties of this new post will become clearer to you once you read the basic law.

[Moderator] [Question indistinct due to station identification]

[Unidentified reporter] Bishop Vega on the morning of 5 September said you have a dogmatic and partisan mentality; that under your mandate in the country's eastern area there were many human rights violations and even deaths in jails. What do you say to this? Also, how would you describe your current political stance? Are you a revolutionary, a Sandinist? Could you lead the police in a nonpartisan way? How do you respond to claims that you are partisan?

[Caldera] I am an official of the Nicaraguan Government and I am obliged to behave as an official of this government. The National Police must obey the government, laws, and Constitution of the republic. We must work under this framework; my political behavior as an official of this government is defined by this framework. [passage omitted]

[Moderator] Reporter Roberto Gonzalez of Radio Sandino will ask the next question.

[Gonzalez] I hope the new chief of police will not be bothered by this but, in Region Four you were accused of using force rather brutally and these charges were made by the workers of the Prego [factory], might this be the reason the Government Ministry chose Commander Caldera?

I would also like the government minister to tell us how you feel at this historic moment when, for the first time in 161 years of national history, a civilian government can—regardless of what some say about the appointment of another Sandinist—change a police chief and restructure an organization law and a Government Ministry.

[Mendieta] Thank you for the question. The situation at the Prego [factory] was, logically, very particular and I

was not the minister at that time, but I do recall all the events that took place then and I believe that, in a country such as ours which is coming out of a war, there are always a number of very tense situations involving groups that are opposed ideologically. Therefore, I believe that, I repeat, we must look forward, at the possibilities of the new director general of police.

Regarding how I feel, I would not see it as something personal or anything like that. I am merely a collaborator of the president. This is a mandate that started in 1990 and there has been a tremendous effort to make reforms and changes. Sometimes the important and constant efforts of the government in this regard, regardless of who are the officials in charge, is not understood. This work in a polarized society, in a country just out of war, is very hard. We sometimes face liberties we cannot understand, we go beyond what those liberties grant us, and sometimes violate other persons liberties.

Recent statements by some politicians in the papers practically indicated that this country was on fire, that the government had to be ousted, and other such things. I believe this has been the common point in the Nicaraguans political discussion. What we need here is a respectable debate, a respectable political debate in which Nicaraguans can truly establish what the country's interests are and forget the interests of sectors. I definitely believe that in such a profound debate there should be, and prevail, the national aspect as the only aspect at this moment because we must all make an effort and sacrifice to get ahead.

Therefore, the question serves to make that brief reflection. That is a project of the president, that president who has given her all for the Nicaraguans, and who has worked very hard for Nicaraguans so that this country can achieve reconciliation once and for all so that we may leave the war behind.

[Moderator] The next question is by Mrs. Gabriela Beltran of Radio (Suiza).

[Beltran] I have two questions for Minister Mendieta. It has been said that the retired officers will be paid indemnities. Could you specify the amounts and details of those indemnities?

The second question is with regard to the reorganization of the regions. Do you already have the [words indistinct] for the different police forces in the departments? Will they be civilians or will they be the same policemen who are already in the corps?

[Mendieta] With regard to the indemnities, we have always spoken of a fair and reasonable indemnity for the persons who held these offices and for the details we have to bear in mind that, for instance, persons who were involved in drug enforcement duties are now threatened by drug traffickers while others have also received threats due to the nature of their offices. Therefore, there are many particularities and it is a matter of rationalization. There will even have to be some protection for some of these persons for some time. It is a matter of particularities that is being studied on a case-by-case basis and, therefore, we will soon be able to report on this.

With regard to the police commanders for the country's regions, we believe that will be decided now with the new director general of police, the new deputy minister, Professor (Low), and myself. We have been working on this intensely and in 30 days we will have decided on the new National Police commanders. There will ve practically a complete rotation and there will be some promotions for the persons who will be the police directors in the departments.

[Moderator] [Words indistinct] ...of Associated Press.

[AP reporter] Good afternoon. I would like to know whether Mr. Aviles will be the immediate chief of Commander Caldera, in accordance with the organizational chart that necessarily governs an institution such as the National Police?

I would also like to know... [pauses] Commander Caldera's background is well known to most of us, but we do not know much of Mr. Aviles' background and we would like him to give us, in his own words, a brief summary of what he has done and also about his relationship to the Nicaraguan resistance during the decade of war, if any.

[Mendieta] With regard to the first question, the organizational law of the Government Ministry entitles the minister and deputy minister to direct, coordinate, and organize all the different aspects of the Ministry as a whole. This includes the directorate of the National Police. Therefore, Mr. Aviles, as deputy minister, has those duties in accordance with the law.

[Aviles] With regard to the second question, during the Sandinist government I was here in the country, a private businessman, cattle breeder, I was a member of the cattle breeders associations of my department, Rivas Department. I was a member of the Board of Directors of Upanic [Union of Nicaraguan Agricultural- Livestock Producers], I was treasurer, secretary, and vice president of the Federation of Nicaraguan Cattlemen's Associations, and during the Sandinist government I was a guest of Commander Caldera in Region Four. [passage omitted]

[Moderator] Martin Lacalle, from Mexico.

[Lacalle] I would like to ask the minister: Are these changes now being made in the police force due to the document sent one month ago by Vice President Godoy and two other government officials? That document advised there was a need for making several changes in the government, and that it was necessary for the government to resume the national salvation program. What is happening now? Will there be a similar reorganization within the Army?

[Mendieta] I could answer the first part of the question, but the Army is not under my jurisdiction. I feel that the

Army has made a very significant effort regarding reduction and professionalization. It has shown a capacity to confront certain situations. Nonetheless, I repeat, that is not under my sphere of responsbility.

With regard to the document written by the men you have mentioned, I would say that on the contrary, this is far from responding to this type of situation. Their proposal coincides with the tasks that the government has undertaken. They have proposed nothing new. The document does not present absolutely anything new that this government has not been doing. It agrees on the need that this government must continue the process of expanding its relations with all the political parties in this country and in this direction there have been conversations between the members of the cabinet and the various political parties. We have held meetings with various organizations. We have talked with his eminence, the cardinal; we have talked with various personalities of this country in the constant search to learn what is the endeavor of this government, what are the tasks that this government has undertaken, to facilitate the government's continued work on its outline.

On this occasion, I want to avail myself of the opportunity to thank you for this news conference. Undoubtedly, it is very important for us that you have been here. We want to voice the determination of the government so that through the Government Ministry we will improve in our respect for private property, and we will improve in our respect for human rights in this country. We also want to say that within the framework of the professionalization of the National Police and of the Government Ministry, we will continue cooperating with the president of the republic in this task. [passage omitted]

Commentary Views U.S. 'Tyrannical Intervention'

PA0809155192 Managua EL NUEVO DIARIO in Spanish 7 Sep 92 p 4

[Text] Just as we warned and forecasted, the Violeta Barrios de Chamorro government has taken one more step in its dangerous race of concessions to the U.S. Government by deciding to retire National Police Chief Rene Vivas, in addition to dismantling some of the force's most qualified cadres, due to the historic meddlesome decision by a power that has been responsible for all our political misfortunes. Thus, once again we take the downward course that can only lead us over the cliff, if not in the short term, certainly in the long run.

This is not simply an administrative, domestic, or bureaucratic decision, understandable if it were really the sovereign wish of top national authorities. It is something worse and ominous: it is the continuation of the U.S. Government's political, tyrannical intervention in the sovereign and exclusive affairs of Nicaragua, a country universally recognized as independent, with its own flag, Constitution, defined territory, and its national community.

The right of the Nicaraguan people to self-determination is not the result of abstract studies by an abstract legislator, but the result of a secular struggle by its best sons and daughters to forge a national dignity, to build a fatherland home where we can decide our own destiny without anyone meddling. Without that right there is no country, no possibility for progress or an independent life as a nation or as citizens, because a people without a nation is not a people or anything, except a mass of nomads, gypsies, whipped on all flanks.

That is why we will defend the inalienable right, come hell or high water, to sovereignly to do in Nicaragua what is compatible with the national interest. If this right is set aside for the sake of a plateful of beans, we will cease to be a country and, instead, become a slave colony to the mercy of the metropolis. And this is the sad step that with growing cowardice the current government has taken, obedient to Washington's orders.

From now on, the pressure exerted by the Yankee presidents will be greater, and while they take over Nicaragua, together with all its contents, the government will be nothing more than a foreman for the foreign owner, just as not so long ago under Somozism, because concessions lead nowhere else. Apparently, all we will have left will be the country's name. We have already begun to see this! The government has gambled with the country's flag just as the undisciplined troops gambled with Christ's sacred mantle.

Former RN Leaders Threaten To Unleash War

PA0809124392 Managua Radio Sandino in Spanish 1830 GMT 7 Sep 92

[Report by Francisco Flores Lopez]

[Text] Former Nicaraguan Resistance [RN] leaders have threatened to declare war on the government. A producer in Cuesta de Guale was kidnapped and a group of men with weapons opened fire on a pick-up truck.

In a communique published by the media, three RN leaders, Douglas, Walter, and (?Blanquez), demanded that the government stop making concessions to those who had their properties confiscated and those who pledged their properties to the previous government. The government, the leaders said, should instead meet the demands of the RN demobilized, police, Army, as well as the war disabled and thousands of jobless workers. Otherwise, they would unleash war again.

In an incident related to the tension prevailing in Region 6, a pick-up truck driven by Marco Tulio Zeledon was fired at near the Tuna Oriental Hacienda, 30 km north of Coyolar jurisdiction. A report says the vehicle was badly damaged and that Zeledon's fate is unknown. The attackers identified themselves as members of Armed Force 3-80. In addition, on the Guale slope, 5 km south of Pantasma, coffee growers Pantaleon Pescado Blandon, Jesus Rivera, and Pedro Rivera were kidnapped by a number of antigovernment men headed by Manuel de

Jesus Reyes, also known as Weasel, at approximately 2200 on 5 September. The location of the kidnapped men is unknown. Their relatives have demanded the government account for the men's fate.

Government Criticized for 'Keeping Bad Company'

PA0709223992 Managua Radio Corporacion in Spanish 2200 GMT 4 Sep 92

[Station commentary by Jose Castillo Ocejo]

[Text] The Republicans have just sent to the Senate what constitutes a huge goal against Nicaragua. It was delivered from midfield with a mean left foot and has deadlocked the aid we are awaiting, like a godsend, to partially ease the enormous economic problems we are facing.

We have grown so accustomed to the blah, blah, blah that some people are saying we should not worry; the aid will come. I do not see how. They say Mrs. De Moss speaks like a contra, that only a small group is opposed, and they utter other not-so-convincing arguments. In my opinion, the cat is out of the bag, new arguments are being made to retain the aid, and our future is as black as coal. At first we were pleased with the cessation of the devaluations, but inflation is once again worrying us to the extent that we are convinced that raising taxes will not solve the problem and will only sacrifice the people who pay them.

Most serious of all, however, is that if the aid does not come, sources of employment will not open and we will not be able to care for the agricultural, industrial, or cattle breeding sectors, and the host of unemployed individuals will continue going from place to place looking for any work just to half-survive. I know of extremely painful cases of individuals who are well educated, who attend universities, some of whom have already graduated, and they would take any job they could find as a maid, gardener, bricklayer's assistant, and so forth just to take a little money home, which is a place lacking in even the bare essentials.

That is why the signals we are receiving are disastrous and should not be underestimated; they must be taken very seriously if we really want to resolve the country's problems. Without aid, with a bad rainy season, with crops that are below the production indexes of previous years, and with lower international prices, the Nicaraguan people's future is beginning to look terrible, and all hopes are beginning to vanish. Tomorrow is another day is a phrase that is losing its meaning, because instead of overcoming our problems, we are beginning to weaken.

In the beginning we were very enthusiastic. There were new stores, many products that had disappeared from the markets reappeared, and that filled the general public with enthusiasm. Time has passed, however, and the only things that have remained firmly in place are the strikes, work stoppages, mobs, and violence. Bus drivers and certain teachers are already announcing strikes, or rather the continuation of their eternal strike. Consequently, we cannot expect the aid to be released because in Nicaragua the FSLN [Sandinist National Liberation Front] is still doing as it pleases. There can be no doubt that these saps have done everything imaginable to destroy this government, and they have accomplished just that because the best friend we had in economic affairs, the one that had the strength to push us forward, has now begun to protest to such an extent that it has cut off our aid and has published a number of details that were totally unknown to us.

The disclosures made in the Republican report would jar the shrewdest person. I did not know so many dollars were flowing to private accounts and that the river was so voluminous—a lot of green water flows through it. After reading the 31 August LA PRENSA report published under a banner headline, I asked myself if we should have hope, if we should believe that our situation will improve. If the government does move to resolve the problems that have emerged, we can say goodbye to the aid. We can forget improvements. In fact, the situation will only get worse, and all because things have not been put in their places.

When a political party or coalition attains power, it must implement its government plan, the things it promised the people, instead of temporizing with its enemies, let alone governing with them and giving them quotas of power. There can be no doubt that the FSLN imparts orders and does as it pleases; it paralyzes the country every day and no one says a word. This is intolerable to Nicaraguans, let alone to people abroad, who are the ones sending us the money to resolve our situation. It is regrettable.

One has to be stubborn not to reconsider. How can the executive be unaware of the damage caused by keeping bad company? Who are the government advisers who dare not tell the executive the truth? Whatever it is, regardless of how they work, the blow has been dealt. If we do not act realistically, no one is going to come to our rescue. On the contrary, our friends will gradually distance themselves from us; once again they will view us as fish [pescados] as they did during the FSLN era when everyone refused to accept us and looked down at us because they lumped us with the communists. The solution is in the government's hands. Only the government can change the situation by fulfilling its promises. Thank you very much.

Argentina

Cuban Dancers Request Asylum With Government

PY0509012692 Buenos Aires TELAM in Spanish 0105 GMT 5 Sep 92

[Text] Buenos Aires, 4 Sep (TELAM)—The Interior Ministry tonight reported that the Argentine Government has started a process for granting asylum to three members of the Cuban Ballet Tropicana, which has been performing in Buenos Aires.

In a brief communique, the Interior Ministry announced the decision to grant asylum to Cuban citizens Jose Ramon Martinez Yanez, Efrain Rodriguez, and Angel Luis Sanchez.

The ministry adds that "safe lodging has been provided to the petitioners in accordance with international rules, and a process has started for granting the asylum. If no problem arises, the government has the political will to grant the asylum."

It has been reported that the Cuban citizens had informed a national deputy of their decision to seek asylum, and that the deputy had taken them to the Interior Ministry. Interior Minister Jose Luis Manzano informed President Carlos Menem, (?who ordered) that the appropriate paperwork be started.

Refugee Status Granted

PY0809210492 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1455 GMT 8 Sep 92

[Text] Buenos Aires, 8 September (NA)—Adelina de Viola, the Interior Ministry under secretary for institutional affairs, has confirmed that five other Cuban citizens have requested that they be granted either permanent residence or the status of political refugees.

Viola has stated that, as was the case with members of the Cuban Ballet Tropicana, the government "will consent to the request of those five people," who will be granted the option of choosing between permanent residence status and refugee status.

Viola told Radio America that "it is not possible to grant political asylum to the five Cubans because, legally speaking, asylum is only granted to those who are persecuted by a specific government," while what is actually happening in Cuba is that "the government has curtailed Cuban citizens' freedom."

When asked about the Cubans' state of mind, Viola answered that "although most of them realize that upon making that decision they will not be able to return to their country, they still have shown an unshakeable resolve."

Menem Cites 'Open Door Policy'

PY0809210092 Buenos Aires Radio Nacional Network in Spanish 1500 GMT 8 Sep 92

[Text] Commenting on the request for asylum made by eight Cuban citizens, President Carlos Menem today stated that Argentina is a country that maintains an open door policy as far as immigration is concerned and that its inhabitants are respectful of other people's right to live in democracy and freedom.

Referring to this issue, the executive branch decided to grant the members of the Cuban Ballet Tropicana the status of refugees rather than consenting to grant them political asylum.

Cuban Revolution Termed 'Fraud'

PY0709194292 Buenos Aires TELAM in Spanish 1445 GMT 7 Sep 92

[Text] Buenos Aires, 7 Sep (TELAM)—Angel Luis Sanchez, one of three Cuban citizens who have asked for political asylum, has stated that "everybody has realized that the Cuban Revolution is a fraud."

Sanchez and the two members of the Cuban Ballet Tropicana, Efrain Rodriguez and Jose Ramon Martinez, yesterday made a statement to Radio America in which they underlined the lack of freedom prevailing in Cuba, the economic implications of the blockade Cuba has been enduring for 33 years, and the steady flow of Cubans who keep fleeing the country.

Rodriguez, who is 32 years of age, said that "it was no longer possible to live in Cuba" because they were "subjected to many restrictions and had no right to anything: to either speak up, to give an opinion, or to say that this is right or this is wrong."

In spite of depicting a bleak picture of Cuba, Martinez, who is 30 years old, said: "We consider ourselves to be Cubans and we love Cuba, our homeland, but we disapprove of what is happening there."

Martinez said that in Cuba "there is no food because of the economic blockade itself. Our country has been blockaded for 33 years, and one does not know how long it will last. One realizes that one's life is slipping through one's fingers, just waiting for something to happen, so one cannot cling to just one idea."

Martinez further stated that "Cubans are leaving the country on a daily basis." Were the country to go to the polls today "and the president elected by ballot, Fidel Castro would never be elected."

Martinez recalled that during the early years of the Cuban Revolution "things seemed to be going very smoothly. We all had jobs, and we hoped to make the country prosper through hard work. We never expected elections to take place, though at the time Castro mentioned that because nobody demanded elections that was a pretext for not holding them."

Martinez added that "as we are not allowed to work in another country—such as Argentina—for one or two years and then return to Cuba, we must necessarily ask for asylum. And, if you do this, the Cuban authorities will consider you to be a counterrevolutionary and not a Cuban, because you are saving money for yourself instead of giving it to the government."

Sanchez, who entered the country as a tourist to visit his brother who lives here, summed up the Cuban people's disappointment about the Cuban Revolution in the following phrase: "Everybody has realized that it has been a fraud."

Di Tella, Brazil's Lafer Discuss Mercosur

PY0509175792 Buenos Aires CLARIN in Spanish 1 Sep 92 p 18

[Text] Argentine Foreign Minister Guido Di Tella and Brazilian Foreign Minister Celso Lafer met at Iguazu yesterday. Lafer assured Di Tella that his country will not change its foreign policy on Argentina despite the institutional crisis affecting Brazil. The foreign ministers agreed that the two countries should present a common position at the UN General Assembly about ratifying the Tlatelolco Treaty on nuclear safeguards.

Argentina wants the political crisis affecting Brazil due to reports on corruption against President Fernando Collor "to be solved as soon as possible" in order to continue the implementation of the Common Market of the South (Mercosur).

"We have no objections if Constitutional precepts on the matter are applied," Foreign Minister Di Tella said in Iguazu yesterday when asked about the political future of Argentina's main partner within Mercosur.

Di Tella gave Lafer the same message from Montevideo on 26 August—during a visit to that country with President Carlos Menem—during a telephone conversation to confirm yesterday's meeting, just as was reported by CLARIN.

Even though both foreign ministries do not admit it publicly, the Brazilian crisis had forced the postponement of important decisions in the creation process of Mercosur. A government in crisis, such as Collor de Mello's, does not have enough political support to resolve problems such as those involving dumping in bilateral trade.

Lafer took advantage of the situation to confirm the continuity of Brazilian foreign policy toward Argentina despite the institutional crisis in that country.

"Beyond my possible separation and the transitory situation in Brazil, relations between the two countries will remain at an excellent level because our links are not built on public officials but at the country level," Lafer said during a recess of the meeting. The meeting was interrupted several times by Lafer's telephone conversations with Brasilia to get the latest news on the political crisis in his country.

During the long meeting at the Iguazu Hotel, Di Tella and Lafer agreed to present a common message on the ratification of the Tlatelolco Treaty at the UN General Assembly that begins this month in New York.

Following last week's Tlatelolco Treaty experts meeting—which creates a nuclear free zone in Latin America—accepting a series of amendments proposed by Argentina, Brazil, and Chile to protect industrial secrets, Brazil and Argentina promised to begin the process of congressional ratification in the next few days.

Argentina signed but never ratified the 25-year-old treaty. The government will send a bill to Congress ratifying the treaty in the next few weeks. The treaty will enter a stage of effective implementation after Brazil and Argentina ratify it. Latin America will then become the second zone in the world where construction or storage of nuclear weapons is forbidden.

During the working meeting the two foreign ministers coordinated their positions for the upcoming Rio Group and OAS meetings that will preceed the UN General Assembly.

At the OAS meeting representatives will analyze, among other things, the failure of OAS Secretary General Baena Soares's mission to return democracy to Haiti.

Escalation of Trafficking, Terrorism Denied

PY0409150492 Buenos Aires TELAM in Spanish 0116 GMT 2 Sep 92

[Text] Rosario, 2 Sep (TELAM)—Interior Minister Jose Luis Manzano today denied that drug traffickers have escalated their actions. He asserted that the Peruvian subversive organization Shining Path "is not operating" in Argentina and that "we have no reason to worry" about the so-called People's Revolutionary Organization [ORP] "because it lacks size or importance."

He affirmed that "police and public security officers are becoming increasingly efficient" and denied that trafficking is on the increase "as it must already be at its peak." He predicted, however, that that more "people will be arrested as the police manage to bust up rings of drug traffickers."

Manzano stated that "it is unlikely" that a major shipment of drugs will be made and denied the involvement of the Shining Path in trafficking in Argentina. "That group has no involvement whatsoever with Argentina because drugs enter our country via Bolivia, where drug trafficking is rampant and unchecked."

He pointed out that the above-mentioned Maoist group "does not operate in our country. Nor are there Shining Path members living here." Nonetheless, he admitted that there are "some minor groups involved in riots, like

the ORP, the size and importance of which are negligible, so there is no need to worry about it."

Manzano acknowledged that "there is close cooperation" between Argentina and the DEA. The DEA "communicates with Argentine police and public security officers." He added that "one should not be surprised to find DEA agents in our country, because their presence here is part of an international operation."

He stressed that the investigation into the bomb attack on the Israeli Embassy in Buenos Aires was conducted by the Supreme Court. He said: "Based on reports of our intelligence services, it is our considered opinion that the pro-Iranian Lebanese Hizballah Islamic group is undoubtedly responsible for the bomb attack."

Russian Envoy Says Trade Based on Bartering

PY0609002992 Buenos Aires TELAM in Spanish 1348 GMT 5 Sep 92

[Text] Rosario, 5 September (TELAM)—Russian Ambassador to Argentina Vladimir Nikitin has said that trade between his country and Argentina "will have to be made on the basis of bartering."

Nikitin explained to the press that this form of trade between the two countries is the result "of the political and economic process under way in the Russian Federation."

The ambassador of the former Soviet Union came to Rosario upon the invitation of the Rosario Chamber of Commerce, along with his economic advisor (Eduard Pankov) and commercial representative (Mikhail Voronecev).

Nikitin said that the businessmen of Santa Fe Province should study the possibility of purchasing Russian machinery and equipment such as tractors, road machinery, and trolleys, among others.

He also talked about the possibility that Russian companies might participate in the bidding for dredging the bed of the Parana River. He recalled that a Russian company is carrying out dredging operations in the ports of Quequen and Bahia Blanca.

Jorge Maiorano Appointed New Justice Minister

PY0809160192 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1515 GMT 8 Sep 92

[Text] Mass Media Secretary Raul Burzaco today reported at the Olivos residence that Jorge Maiorano is the new justice minister.

Burzaco also reported that "Carlos Corach will be the new legal and technical secretary of the Presidency and Luis Prol the new under secretary general of the Presidency."

New Education Ministry Secretaries Appointed

PY0809182092 Buenos Aires TELAM in Spanish 2346 GMT 20 Aug 92

[Summary] Buenos Aires, 20 Aug (TELAM)—As part of a reshuffling at the Ministry of Education, President Carlos Menem today appointed Eduardo Carbo as education secretary, replacing Luis Barry; and Juan Gaset Waidatt as secretary for technical and administrative coordination, replacing Jose Aromando.

Gaset Waidatt, an economist from La Rioja Province and trustee of the National Savings and Insurance Fund, will continue to hold this post until the privatization of the agency is completed. In his new post at the Ministry of Education, he will be in charge of the ministry's financial matters.

Carbo comes from Cordoba Province and holds the degree of Bachelor of Arts in education. He has previously worked as a teacher and professor. He will be in charge of continuing the extensive reform of the education system.

Brazil

'Nominal Open' Voting System Announced

PY0909000192 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 8 Sep 92

[Report by Jorge Vanburg from Congress]

[Text] The voting session on the impeachment request against the president of the Republic in the Chamber of Deputies will be held only once, through a nominal open voting system [sistema nominal de votacao aberta]. If the impeachment request is approved by two-thirds of the house, it will be sent to the Senate.

This decision was announced by Chamber of Deputies President Ibsen Pinheiro, who also sent a message to President Collor informing him of the accusation and enclosing a complete copy of it and other related documents, and granting him five Congressional sessions—which expire at 1700 on 15 September—to present his defense.

Deputy Gastone Righi, from the PDT [Brazilian Labor Party]-Sao Paulo, contradicted Ibsen Pinheiro's decision:

[Begin Righi recording] The president of the Chamber of Deputies today committed an ignominious act. To be honest, he suppressed the right of defense of the president of the Republic.

The right to defense is complex. It includes the right to dispute, to present evidence, to challenge evidence, to present witnesses, and to present a formal defense. None of these rights was granted to the president of the Republic. A period of time was simply invented for him. Any criminal, no matter how horrible the crime, has 15

working days to prepare his defense in any criminal process, irrespective of his crime, even if he was caught red-handed.

It is absurd that the president of the Republic should have not been granted an equivalent period of time for his defense. Pinheiro invented the term of five Congressional sessions to present his defense, and seven sessions for the committee to make its decision. By the way, no one knows what this committee will do. In all, the president of the Chamber of Deputies has applied a lynching law; he wants a lynching. [end recording]

Deputy Gastone Righi has appealed Ibsen Pinheiro's decision. His appeal will be studied by the Constitution and Justice Committee of the lower house.

Righi later was elected chairman of the special committee that will decide on the impeachment request in the Chamber of Deputies.

According to an agreement among the political parties, Deputy Vivaldo Barbosa, from the PDT-Rio de Janeiro, was elected deputy chairman of the committee, while Deputy Nelson Jobim, from the PMDB [Brazilian Democratic Movement Party]-Rio Grande do Sul, was elected coordinator of the committee.

The voting session in the Chamber of Deputies may take place any time after 16 or 18 September, since 23 September is the time limit for the consideration of the validity of the impeachment request once it has been examined by the special committee.

'Democratic Pressures' Cited

PY0909122492 Brasilia Voz do Brasil Network in Portuguese 2230 GMT 8 Sep 92

[Text] Chamber of Deputies President Ibsen Pinheiro today explained how the impeachment request will be processed:

[Begin Pinheiro recording] Given that the new Constitution has deprived the Chamber of Deputies of the right to legally sue the president of the Republic, I understand that the dispositions of Law No. 1079 of 1950 are applicable, except for the dispositions which describe exclusively judicial procedural actions. This means that the finding of facts and judgment have become the exclusive jurisdiction of the federal Senate.

Therefore, once the special committee makes its decision, during a period of seven Congress sessions, the subject will be voted on in the plenary hall during a single session, through the open nominal process [proceso nominal ostensivo]. The accusation will be considered as accepted if two-thirds of the members of the house so approve it.

Given that the decision on the admissibility or not of the accusation is the act that will authorize the institution of proceedings, the law, and not regulations, is hereby applicable, in keeping with Article No. 85, single paragraph, of the federal Constitution. [end recording]

Ibsen Pinheiro also explained why he had waited, since the day he received the accusation, over a period of two Congress sessions to decide on the procedure to be followed for the impeachment request.

[Begin Pinheiro recording] I listened to all those who wanted to be heard. I told the nation, through the media, that all kinds of pressures were exerted on the president of the Chamber of Deputies. All the pressures were democratic, not one of them was illegitimate or antidemocratic; otherwise, it would have been rejected. However, all those pressures, which were democratic pressures coming from contending political forces, and which aimed at influencing my decision, are legitimate and as such I received them.

However, given that the decision must be made by the president of the Chamber of President alone, the decision must be expressed. I am comforted to know that it can be appealed. I will be able to share the correct decisions, and the mistakes I may make, with the free institutions of our country, beginning with this house. [end recording]

Chamber of Deputies Secretary Max Rosenmann read a copy of the message sent by Ibsen Pinheiro to President Collor informing him of the accusation against him presented by the OAB [Brazilian Attorneys Association] and the ABI [Brazilian Press Association] and of the right to defense that was ensured for him.

[Begin Rosenmann recording] Your Excellency, President of the Republic Fernando Affonso Collor de Mello:

On 1 September the Chamber of Deputies received an accusation against you for having committed malfeasance in office, sent by citizens Barbosa Lima Sobrinho and Marcelo Lavenere Machado. During the 2 September Congress session, the accusation was read in the plenary of this house together with the order that opened the process.

As of today, the Chamber of Deputies will examine the subject within the terms of its jurisdictional power according to the Constitution.

In adjoining documents Your Excellency will find certified copies of the accusation and other pertinent documents.

If you wish to express yourself about this subject, you may do so within a period corresponding to five Congress sessions, before 1900 on 15 September. [end recording]

Government Says Pinheiro 'Created a Law'

PY0909022492 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 8 Sep 92

[Text] The government has reacted to the decision made by Deputy Ibsen Pinheiro in relation to the impeachment process. Presidential spokesman Etevaldo Dias has just said that the Chamber of Deputies president created a law.

[Begin Dias recording] The lack of a legal foundation, and the act in which it was conceived, surprised the president. Deputy Pinheiro created a law today combining part of Law No. 1079—which already was reversed, part of an internal rule—and an inspiration based on a chapter of the Constitution. That is, Deputy Pinheiro created a law. [end recording]

Government 'Secured' 211 Votes in Congress

PY0809232692 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 8 Sep 92

[Report by Alicia Santiago from Brasilia]

[Text] Deputy Jose Lourenco of the Social Democratic Party-Bahia and deputy government bloc leader in the Chamber of Deputies today guaranteed that the government already has secured 211 votes against the request for the impeachment of the president of the Republic.

Deputy Jose Lourenco said the result in favor of the government will not surprise the opposition and that good sense prevailed during the decision process.

[Begin recording, broadcast in progress] [Lourenco] ...good sense and the social movements.

[Santiago] What do you mean by social movements?

[Lourenco] A lot of people, many expressions, and many phone calls from the whole country requesting us to stand firm because [words indistinct]. [end recording]

Deputy Jose Lourenco is very sure of himself because during the General Constituent Assembly he forecast the victory of the five-year mandate for former President Jose Sarney and the victory of the presidential government system.

Franco 'Prepared To Assume Power' If Necessary

PY0909010992 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 8 Sep 92

[Text] Vice President Itamar Franco has returned to Brasilia and said that his post requires him to be prepared to assume power. Franco returned to Brasilia after the holiday [7 September, Independence Day] with an unusual predisposition to talk.

In a brief interview at the airport he again denied reports that he is coordinating the formation of a new cabinet. He guaranteed, however, that he is prepared to assume power if necessary.

[Begin Franco recording] Obviously I have to be prepared because I am the vice president of the Republic. It is clear that I am... [changes thought], but it is speculation that I am forming a cabinet, that I am inviting people. This is not true. I am merely the vice president of the Republic. The Constitution clearly states that the vice president replaces the president if he is impeached. [end recording]

Habeas Corpus for Collor Filed With Court

PY0909025492 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 8 Sep 92

[Text] Attorney Murilo Monteiro da Costa from Sao Paulo has just gone to the Federal Supreme Court to file a petition of habeas corpus on behalf of President Fernando Collor.

In the document the attorney says that the president is illegally charged with committing crimes that have not been investigated yet by the court. Monteiro da Costa also filed a petition of a preventive habeas corpus for Paulo Cesar Farias. The court also has appointed the reporting justices who will hear the two requests.

Neri da Silveira was named Collor's reporting justice, while Paulo Brossard will hear the Farias case.

Presence at Dinner Not Guarantee of Support

PY0809173392 Rio de Janeiro O GLOBO in Portuguese 4 Sep 92 p 3

[Text] Brasilia—Contrary to what government allies have tried to prove, the dinner held at Deputy Ezio Ferreira's home was not a guarantee that the almost 100 guests present would support President Collor when the impeachment is voted on. Without knowing that President Collor would be present, Ricardo Izar, Liberal Party leader in the Chamber, accepted his colleague Ezio Ferreira's invitation for what he thought would be a soccer match followed by a barbecue, as traditionally occurs at Ferreira's home on Wednesdays. With his soccer boots in a bag, Izar—who will vote in favor of opening the impeachment process—left as soon as he became aware of the arrival of Humberto Souto, the government leader in the Senate, and the real reason for the dinner.

Izar said: I remain in favor of the impeachment, and I saw at the dinner several others who share my position. The fact that I attended the meeting does not mean that I support the president. So much so that I turned around and left without even seeing the president.

Other congressmen admitted that at the time of being invited they were not told that President Collor would also be present. This occurred, for example, with Deputy Paes Landim (Piaui Liberal Front Party), who continues to support Collor and to work against the impeachment.

As a matter of fact, government supporters had been planning the dinner since 30 August, but then backed off.

They only decided to resume planning on 2 September. The government leaders feared that few people would be present and the president might be exposed to an embarrassing fiasco.

Deputy Jose Carlos Vasconcelos, National Renewal Party leader in the Chamber, said: We feared that few people would be present. The meeting, however, was very expressive, and changed everyone's mood completely.

President Collor only arrived at Ferreira's home in Lago Sul District—Brasilia's most exclusive area—after 2230, when everyone else had already arrived. A few minutes earlier, Souto had arrived to check whether there were enough people. He then gave the green light to Collor's arrival. The president was at Planalto Palace, and the Press Secretariat had been refusing to report where he would be going. News of the meeting only became known a few minutes before the president left the palace.

Pinheiro Interviewed on Impeachment Process

PY0809125292 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Sep 92 Section 1 p 6

[Interview with Chamber of Deputies President Ibsen Pinheiro by correspondent Chico Mendonca on 4 September, place not given]

[Text] [Mendonca] Is there any risk of the vote on impeachment in the Chamber of Deputies being put off until late October?

[Pinheiro] I have the regulatory and political conditions for having the issue approved in the Chamber of Deputies in September. The resolutions I impiemented, based on the regulations, have already allowed for a speedy process. It is enough to note that the charges were received during the afternoon of 1 September, that they were received in my office in the evening, that they were read on 2 September, and that the committee was formed on 3 September. It is important to note that the quickness is contingent upon lawfulness, so as to avoid procrastinating challenges during the plenary and at the courts.

[Mendonca] Will Law No. 1,079, however, not delay too much the paperwork on the request for impeachment?

[Pinheiro] The concern expressed by some people arises from a lack of understanding of the legislative process. When I received the charges and formed the special committee, I did not choose to fully implement Law No. 1,079, as some people supposed. Neither have I fully rejected it. I will decide on the partial or total contingency of an act that must necessarily be implemented. This exempts me and even prevents me from voicing an opinion on this issue.

[Mendonca] Nevertheless, would a quick conclusion on your part not calm everyone?

[Pinheiro] I am asked to give many explanations with respect to speculations, as, for example, on the issue involving the quorum required for approval. As it is an issue that lies in the future and is uncertain, I would not only be deciding on it, but would be unduly interfering with the debate if I talk about it. Yet concerning the most definite future circumstances, such as the open or secret vote issue, it is clear that I will define them beforehand.

[Mendonca] Nevertheless, is there not already a point of order on this issue?

[Pinheiro] I already have a point of order formulated by government leader Humberto Souto, and I have already informed him that I will decide on this issue before those who are discontented—who will inevitably appear—resort to the means available to them. I understand this concern, but I note that the majority have well-intentioned concerns, while others are trying mischievously to influence the procedure in accordance with their political positions.

Media 'Subordinating' Coverage Under 'Pressures'

PY0809142992 Sao Paulo FOLHA DE SAO PAULO in Portuguese 5 Sep 92 Section 1 p 7

[Article by Luis Antonio Giron]

[Text] It is now clearly evident. The Record, Bandeirante, and Manchete television networks have quickly replied to the government's pressures and are "subordinating" their newscasts, possibly because they fear economic retaliations. Rede Globo television already rejoined the "shock troops" on 1 September. The newspapers and television channels have changed their tone of critical coverage to edited descriptions. Headlines on impeachment and street demonstrations have been omitted.

Record Loses Brasilia

On 3 September, after six months of being aired at 1910, the Brasilia news segment edited by Marilena Chiarelli was replaced by a sports interview. On 4 September Marilena was off the air, replaced by an economic commentator who reported that Economy Minister Marcilio Marques Moreira would spend the holiday in Rio de Janeiro. The main headline referred to PC [Paulo Cesar Farias]. The second, more rosy in nature, reported: "The highest TR [Referential Interest Rate] turns saving into an excellent investment." Commentator Jorge Boaventura did not conceal his preferences, which are possibly less dangerous for the station than those of Marilena. Boaventura said: "The stage of the crisis is beginning to change, and in support of the government."

Marilia Gabriela appeared timid in "Jornal Bandeirantes." She omitted the word "impeachment," using the phrase "political crisis." She interviewed Marques Moreira with exaggerated courtesy. He denied his dismissal, and broke off the conversation.

In the "Manchete" news magazine the word "impeachment" is still used more often than the phrase "political crisis." A headline stated: "Jarbas Passarinho believes that a delay in the vote for impeachment will jeopardize

the neutrality of the Armed Forces." On SBT television, Boris Casoy [anchorman of "Telejornal Brasil"] was the only person to resist after the premiere of the program "Special Document" was cancelled. Lilian Witte Fibe [SBT economic commentator] had the day before refused to make any strong comments. "Tj [Telejornal] Brasil" shocked competitors with detailed reports. Boris made a comment on the government's actions in Congress which can be applied in various contexts: "It is the triumphant return of the saying: 'Give, and it shall be given unto you,' in technicolor." Discrediting Monica Waldvogel [Globo correspondent], Giuliana Morrone followed Collor's line, and uncovered the two lines of the governmental "marketing" [preceding word in English]: "to convey an image of optimism, and make a ministerial reform."

Itamar and Aureliano

Globo television has followed the line of an optimistic image and support for the reform. Journalist Andrea Boni published an editorial in "SP Ja" ["Sao Paulo Now"] entitled: "The opposition now has another name: pro-impeachment front." Only one headline in the "Jornal Nacional" referred to Collorgate, when it reported on the request for PC's imprisonment. The other headlines referred to the Sao Paulo highway police, and to Lady Di and the prince. Luis Carlos Braga commented on Collor's day during a great space dedicated to Geraldo Bulhoes's prophecy: "Collor will not give up before 1994." A publication shows Itamar meeting with communists, socialists, and Aureliano Chavez [former minister under Sarney]—hinting that he represents backwardness.

Computer Contains PC 'Doctrine' of Action

PY0909140692 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 8 Sep 92 p 8

[Text] Brasilia—The Federal Police [PF] have found a file with the "doctrine" followed by Paulo Cesar Farias in his influence peddling activities in the federal government. The police found the file in a computer confiscated from EPC [Construction and Investment Enterprise], one of the companies of PC Farias. The "doctrine" is a kind of manual with efficient rules for embezzling public funds. The "doctrine" summarizes general procedural guidelines for the lobbyists of the PC scheme to obtain maximum performance. "It was a very well organized team, which knew where to attack in order to obtain extraordinary profits," a PF inspector who is impressed with the PC organization said.

The first lesson of the "PC doctrine," according to the inspector, shows the correct work strategy: to prioritize the government ministries and agencies that guarantee high profits. The doctrine cites as an example the Health and Transport Ministries, and it disdains other agencies with smaller budgets where it is difficult to obtain more funds, such as the Justice Ministry. The PC manual also recommends the "implantation" of people of trust in key posts in the "richest" ministries, so as to obtain maximum productivity.

According to PF sources, part of the computer's memory was destroyed before it was confiscated by the Revenue Office last June in the EPC offices in Sao Paulo. A team of experts from the National Criminalistic Institute [Instituto Nacional de Criminalistica] (INC) and financial crimes experts examined what remained in the computer of the EPC company. A list of public works marked by PC Farias was also found in the computer, including the construction companies that won the bids, and the corresponding bribes they paid.

According to the police, PC began organizing his "doctrine" in May 1991 when he placed his friend Lafaiete Coutinho as president of the Bank of Brazil. That information is a decisive factor in the investigations of PC Farias and the corruption charges brought against former Labor Minister Antonio Rogerio Magri. The former minister was accused by Volnei Avila, former director of the INSS [National Social Security Institute] of receiving $30,000 from the Norberto Odebrecht Construction Company to release money for a construction project being carried out by that company in Acre, the Maternity Channel [Canal da Maternidade] project. This project is included among the public works found in PC Farias' computer.

According to what the police have found so far, the installation of Lafaiete at the Bank of Brazil has left PC "closer to the barrelhead," quoting the words of a policeman. A document of analysis prepared by the Federal Police Department of Political and Social Order (DOPS) states that PC Farias' downfall began with his "inordinate ambition" for power and money which has reportedly "unbalanced" the market of "bribes."

Entrepreneur Reports Second 'Uruguay Operation'

PY0809024892 Sao Paulo FOLHA DE SAO PAULO in Portuguese 3 Sep 92 Section 1 p 5

[Article by Thais Oyama]

[Excerpt] Jose Roberto Nehring, the owner of Brazil's Garden, has told the Federal Police [PF] that Claudio Vieira had been preparing a "Uruguay Operation 2." According to Nehring, the new "farce" would consist of forged testimony seeking to prove that President Fernando Collor is not involved in the charges stating that Paulo Cesar Farias [PC] financed the remodeling of Casa da Dinda [Collor's private Brasilia residence].

Vieira believed that Nehring would confirm to the PF the arguments that were being prepared, according to Nehring, at the Alcides dos Santos Diniz Enterprises and Participations Company—the same one that allegedly participated in Uruguay Operation 1. Vieira's belief that Nehring would cooperate was based on an agreement they had reached the previous week.

In accordance with this agreement, in his testimony—which was originally scheduled for 4 September at the PF—Nehring would follow Vieira's instructions. In exchange, Vieira would see to it that a 500 million-cruzeiros debt with Brazil's Garden regarding the last three months of work at Casa da Dinda was paid.

Nehring broke the agreement by reappearing after three months and telling the PF his version of the facts on 2 September, after already having received the 500 million cruzeiros from Vieira. Nehring arrived at PF headquarters in Brasilia at 1923. Throughout the day, the PF denied that Nehring's testimony had been moved forward. The reason for the denial was to make Vieira believe Nehring was going to comply with the terms of the agreement.

Nehring also decided to confirm to the PF that PC's Brazil-Jet really had paid for the Casa da Dinda remodeling. He gave Inspector Lacerda the designs approved by PC and the messages he had sent to secretaries Marta Vasconcellos and Rosinete Melanias asking for some overdue payments. According to Nehring, the messages were returned to him by PC's secretaries, together with the checks. [passage omitted]

Police To Appraise Residence

PY0809222292 Rio de Janeiro O GLOBO in Portuguese 8 Sep 92 p 1

[Text] The Federal Police will appraise the pictures, lists of costs, and designs of the Casa da Dinda [President Collor's Brasilia residence] gardens to learn whether the work cost the equivalent of $2.5 million or whether it was used by the so-called "PC [Paulo Cesar Farias] scheme" in a money-laundering operation. An evaluation by an institution from abroad is not ruled out, but this will be possible only if a lawsuit against Collor is filed with the Federal Supreme Court.

The Federal Police made this decision after hearing Jose Roberto Nehring's testimony. Nehring is the owner of the Brazil's Garden enterprise, which was in charge of the work. He confirmed that the president of the Republic himself authorized PC, Collor secretary Ana Acioli, and Collor's former private secretary Claudio Vieira to pay him for his work.

Nehring delivered to police the designs of all the stages of the construction of the gardens, which began in May 1989 and ended early this year. The evaluation will have to be ready by the end of this month so that it can be included in Police Inspector Paulo Lacerda's report. Nehring will be cleared of charges of unlawful association if evidence shows that the work cost $2.5 million.

Senator Reports Death Threat Against Collors

PY0809213492 Rio de Janeiro O GLOBO in Portuguese 8 Sep 92 p 3

[Text] Senator Eduardo Suplicy (PT-SP) [Workers Party-Sao Paulo] yesterday informed Planalto Palace that he received an anonymous report about an attack against President Fernando Collor and Mrs. Rosane Collor. According to Suplicy, about two weeks ago a man phoned from Florianopolis to his home in Sao Paulo telling him that Operation Phoenix will be put into effect to kill Mrs. Rosane Collor.

"Happily, nothing happened. At the beginning I did not attach any importance to the call but this morning (7 September) I thought it better to warn the president's security personnel," Suplicy said.

Poll Shows Reactions to Presidential Address

PY0409181092 Sao Paulo FOLHA DE SAO PAULO in Portuguese 2 Sep 92 p 8

[Article by Joao Batista Natali]

[Text] A survey by DataFolha shows that 77 percent of those polled in Sao Paulo believe that the address on 30 August by President Fernando Collor did not satisfactorily clarify the doubts that the CPI [Congressional Investigating Committee] has raised about his honesty.

Yet despite this massive demonstration of disbelief in the president's explanation over a national radio and television network, the poll revealed a slight reduction in the number of people who want Collor to step down. Between 27 and 28 August, 84 percent of those polled were in favor of impeachment [preceding word in English], but this figure has dropped to 77 percent, that is, by 7 points.

Summarizing, more than two-thirds of the Sao Paulo people do not trust the president, even though the reasons with which he defended himself in his address have influenced a small proportion of the population.

The survey was conducted yesterday among 1,056 Sao Paulo people. Only 35 percent of them listened to or watched the entire speech, and 26 percent did so but only partially.

As for party preferences, 96 percent of PSDB [Brazilian Social Democracy Party] supporters and 90 percent of PT [Workers Party] followers were not convinced by Collor's explanation. This opinion is shared by 75 percent of PMDB [Brazilian Democratic Movement Party] and 65 percent of PDS [Social Democratic Party] followers. The largest percentage of people who support the president was found among PDS supporters (25 percent).

Proof that society is deeply interested on the matter is the fact that a small minority of those polled were indifferent. Only 3 percent of those polled have no opinion on the president's address of 30 August, while 8 percent of those polled do not know whether Congress should dismiss Collor.

Military Directive on Parade Clothing Denied

PY0509031092 Brasilia Voz do Brasil Network in Portuguese 2200 GMT 4 Sep 92

[Report by correspondent Carlos Silva from Planalto Palace]

[Text] Planalto Palace has just denied a report about the Military Household having allegedly issued orders about the clothes the people should wear during the 7 September parade. The Planalto Palace press office has denied that Military Household Chief General Agenor Homen de Carvalho made any suggestions about the subject, as this is a subject under the jurisdiction of the Planalto Military Command. According to the Government House press office report, the issue cannot be attributed to the office of the Military Household chief, which is a direct advisory office to the president of the Republic.

The report also states that the Military Household chief has not made either direct or indirect suggestions to restrict the access of the public in the 7 September parade because of the clothes they may wear.

Planalto Releases Note

PY0609230692 Rio de Janeiro O GLOBO in Portuguese 5 Sep 92 p 7

[Text] Brasilia—The Planalto Military Command yesterday released a note stating that it will not ban people dressed in black—to show support for President Fernando Collor's impeachment [preceding word in English]—from attending the 7 September military parade in Brasilia. Collor already has confirmed his presence at the parade. The command reported that the Army wants all Brazilians to unite in a broad embrace to congratulate the fatherland on its independence day "regardless of the color of their clothing."

The command also reported that it never received a request from the chief of the Presidency's Military Household, General Agenor Homem de Carvalho, to ban people dressed in black from attending the military parade in Brasilia.

Through their press offices, Justice Minister Celio Borja, Economy Minister Marcilio Marques Moreira, Education Minister Eraldo Tinoco, Foreign Minister Celso Lafer, Science and Technology Secretary Helio Jaguaribe, and Sports Secretary Bernard Rajzman confirmed their plans to be at the presidential rostrum during the parade.

The following absences already have been confirmed: Social Action Minister Ricardo Fiuza, who will be in Recife; Minister Secretary of Government Jorge Bornhausen, who will be in Santa Catarina State; Health Minister Adib Jatene, who will remain in Sao Paulo; and Regional Development Secretary Angelo Calmon de Sa, who will be in Bahia State.

Agriculture Minister Antonio Cabrera, Transportation Minister Afonso Camargo, Labor Minister Joao Mellao, Mines and Energy Minister Pratini de Moraes, and Strategic Affairs Secretary Eliezer Batista have not confirmed their attendance.

Collor 'Booed' at Ceremonies

PY0809215292 Rio de Janeiro O GLOBO in Portuguese 8 Sep 92 p 1

[Text] President Fernando Collor was booed three times during the Independence Day parade in Brasilia yesterday. Unlike previous ceremonies, Federal Supreme Court President Sidney Sanches, Senate President Mauro Benevides, and Chamber of Deputies President Ibsen Pinheiro did not attend the ceremony and did not send representatives. Vice President Itamar Franco also did not attend the ceremony. The platform reserved for congressmen was used by military men because only one deputy attended the ceremony.

In order to avoid the public—calculated at 12,000 people—the president, together with Mrs. Rosane Collor, broke tradition by not arriving at the ceremony in an open car in front of the public. He arrived at his rostrum through an underground tunnel. He did not review the troops, and he also did not wear the presidential sash.

During an afternoon ceremony in Itamaraty Palace, Collor suffered another embarrassment. Demonstrators gathered outside demanding his impeachment. The windows had to be closed to silence the shouts, and Collor had to leave the palace through a side door.

'Black' Demonstrations Held in Several Cities

PY0809021692 Rio de Janeiro Rede Globo Television in Portuguese 2300 GMT 7 Sep 92

[Text] People demanded the impeachment of President Collor during various demonstrations staged nationwide today. A silent demonstration was staged in Florianopolis, where people walked along 2 km of Veiramar Avenue. People carrying black flags greeted the demonstrators from their windows.

People of all ages took to the streets in Goiania to protest. The demonstration was staged by students and workers who demanded the president's resignation.

There were also demonstrations in Fortaleza, where police controlled protesters from a distance. Despite being a sunny day, some people carried umbrellas as a way to protest.

Black marked the movement in support of ethics in politics in Belo Horizonte, where a demonstration was staged downtown. People carried flags and puppets and had their faces painted black.

In Brasilia, a demonstration in support of impeachment was called for by local artists on behalf of the Democratic Movement Against Impunity. Police did not intervene.

Few people participated in the demonstration, which was carried out a number of kilometers from the place where the ceremony to mark Independence Day was held. Everything ended with music.

Collor Awards Medals to Olympic Athletes

PY0409183492 Rio de Janeiro Rede Globo Television in Portuguese 1600 GMT 4 Sep 92

[Excerpt] The athletes who participated in the Barcelona Olympics were honored in Brasilia today. They received the Sports Merit Medal during a ceremony at Planalto Palace this morning.

The activities at Planalto Palace were different today. Many fans arrived early in search of autographs of the members of volleyball team. Security was reinforced.

President Fernando Collor arrived at Planalto Palace on time at 1000. The athletes arrived shortly afterwards, and as happens everywhere, fans ran to get their autographs. Security personnel allowed the fans to participate in the ceremony to avoid any disorder. [passage omitted]

Agriculture Minister Cabrera 'Will Not Resign'

PY0609034492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 5 Sep 92 p 4

[Text] Porto Alegre—After guaranteeing that he will not use the funds of the Agriculture and Agrarian Reform Ministry to exert any type of pressure in the voting on the impeachment [preceding word in English] of President Fernando Collor, Minister Antonio Cabrera said yesterday in Esteio (RS) [Rio Grande do Sul] that he will not resign. He added: "My position belongs to the president, and it is at his disposal."

He said that if any of the ministers resign it will not be for ethical principles. He added: "Every minister knows what to do, and if anyone resigns this will not mean that the others will also resign as an expression of solidarity."

Cabrera refused to comment on whether he would stay in his post if Collor leaves the Presidency. He said: "I do not comment on suppositions. My current concern is the planting of the next harvest." Regarding Vice President Itamar Franco, he said that he knows him but little, but that Franco has political affinity with all members of the current government.

Subsidized U.S. Wheat Will Not Be Imported

PY0609035092 Rio de Janeiro O GLOBO in Portuguese 5 Sep 92 Economic Section p 23

[Text] Porto Alegre—Brazil will not import the subsidized wheat offered by the United States. This negative answer from the Brazilian Government will be announced on 8 September, but yesterday Agriculture Minister Antonio Cabrera revealed that the decision has already been made, and that it will be ratified in a meeting between Cabrera and Ministers Marcilio Marques Moreira and Celso Lafer.

Participating yesterday in the official opening ceremony of the 15th International Livestock Exhibition (Expointer), in the metropolitan region of Esteio, Minister Cabrera criticized the $1 billion subsidy given by President George Bush to U.S. wheat for export.

Cabrera also announced that on 8 September the government will liberate the regular stock of its products whose prices have gone over the average of the last five years. Mentioning the agricultural law which authorizes the government to use its stock to regulate prices, Cabrera announced that the government will offer 70,000 tonnes of wheat, 40,000 tonnes of rice, 20,000 tonnes of beans, and 20,000 tonnes of meat in the market.

Financial Market Feels Impact of Political Crisis

PY0709154492 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 4 Sep 92 Economic Section p 3

[Article by correspondent Rosa Riscala]

[Text] The financial market began yesterday to be affected by discouragement, especially in the stock exchange, where the installation of Vice President Itamar Franco as a solution to the political crisis began to be questioned. The reasons for this discouragement are the recent comments made by Franco and his allies criticizing the current economic policy, in addition to Franco's contacts with nationalist political groups which are against privatization and the opening up of the economy. Analysts commented yesterday that the market, which went up 25 percent last week, giving a vote of confidence to Franco, does not respond well to activities going on around the vice president.

For example, the market responds negatively to speculation on who would make up Franco's cabinet. As an example, analysts said that the market would not favor people like Paulo Cunha, of the Ultra Group, in the Economy Ministry. Aureliano Chaves and Jose Aparecido are other names mentioned by the market as an indication of probable regression in the process of economic modernization. The director of a foreign bank said: "Franco is being surrounded by the nationalist group of former President Ernesto Geisel, which is in Petrobras [Brazilian Petroleum Corporation]. This group opposes the privatization program, and this is definitely not what the market wants." He added: "Franco should be more open on his position, and should take a clear stand on the goals of the Collor government modernization program." On the contrary, he said, the market could find that it would be better to have a reorganization under Collor.

The impact of the confirmation made by Economy Minister Marques Moreira himself that he will leave the day the Chamber of Deputies votes on the impeachment has apparently already been absorbed by the market. The

market is working to project the future, which at this time is completely unpredictable in the midst of a complete lack of definition in the political-economic field. Yesterday the exchange market reflected that uncertainty, dropping 6.23 percent in Sao Paulo and 5.05 percent in Rio de Janeiro with reduced business volume. At the same time the investors tried to protect themselves by eliminating the advanced sale of gold and dollars in the face of the 7 September holiday. The result was a greater demand for gold on the black market.

Marques To Consult With IMF 'Within 15 Days'

PY0709143192 Brasilia Radio Nacional da Amazonia Network in Portuguese 1000 GMT 7 Sep 92

[Text] The Brazilian Government will return to the IMF within 15 days. Economy Minister Marcilio Marques Moreira said he will go to New York to continue negotiations and to explain the political crisis. He said that so far there are no set goals, as they will be established only after the approval of the fiscal reform project.

The minister said this has always been the IMF's position. He said he was certain that the fiscal adjustment project would be approved this year. He said that the government is not in a position to render good services to the people without the fiscal reform.

Minister Marques Moreira said that he does not yet intend to leave the government. He said he is very comfortable in his post, despite the political crisis and the loss of support from a faction in the business sphere.

He said that he is calm, and that he will comply with the mission of maintaining the country's economic stability. He denied reports about a meeting with Justice Minister Celio Borja in Rio de Janeiro over the weekend. He also denied that the government is studying the possibility of adopting a new economic plan.

Coffee Growers' Demands on Prices Unmet

PY0509173192 Madrid EFE in Spanish 1646 GMT 28 Aug 92

[Text] Brasilia, 28 Aug (EFE)—The Economy Ministry informed coffee growers that the Brazilian Government does not have the financial resources to subsidize them or to grant special treatment to those who have debts with the government.

The Brazilian Government's stance was presented to the representatives of coffee growers during a meeting on 27 August. Coffee growers had requested that the government adopt certain measures to enable them to withstand the crisis stemming from the slump in coffee prices on the international market.

During the meeting, described as "tense" by the newspaper GAZETA MERCANTIL, government and coffee growers' representatives failed in their attempts to define the strategies to solve the crisis confronting Brazilian coffee growers.

Notwithstanding this, the two parties decided to meet again on 3 September to adopt a definite position on the issue.

In the face of the sharp decline in international coffee prices since 1989 following the breaking off of the International Coffee Agreement (ICA), Brazilian coffee growers have switched to other crops and coffee plantations have shrunk by 30 percent.

In order to face the crisis, coffee growers are demanding that the government establish subsidies and reschedule their outstanding $400 million debt with state-owned financial institutions.

During the meeting, the government made it clear that it does not have enough funds to honor these requests.

Brazilian coffee exporters, who account for nearly 30 percent of the world coffee trade, contend that a subsidy higher than the international price will be harmful to their interests.

This is the first time in two years that Brazilian coffee growers have adopted a stance different from that of coffee exporters in their negotiations with the government.

The Brazilian Government hopes that the ICA, which will meet in London in September, will be able to bring coffee producers and consumers together by signing an agreement that will cause international coffee prices to rise.

With a view to doing this, Brazilian representatives met delegates from Colombia and Costa Rica—the two other major producers of coffee—in Santa Fe de Bogota last week in order to adopt a common approach to the negotiations at the ICA.

Chile

Minister Denies Brazil's Collor Seeks Refuge

PY0809230692 Madrid EFE in Spanish 2153 GMT 8 Sep 92

[Text] Santiago (EFE)—Chilean Deputy Foreign Minister Edmundo Vargas today denied press reports on an alleged request for refuge in Chile by Brazilian President Fernando Collor.

Vargas, who was consulted by journalists after an interview with Chilean President Patricio Aylwin, said: "There are no reports on the matter. President Collor is exercising power and he is facing a situation that is known to everyone. This is the first time that I have heard the report you are mentioning."

Vargas said Brazil "is a country with which we always have maintained very good relations, and we are closely watching the events."

He also was consulted about the delay in the expulsion of Osvaldo Romo from Sao Paulo (Brazil). Romo, a former member of the secret police under the regime of General

Augusto Pinochet, is charged with involvement in the arrest of 50 people reported missing.

Vargas admitted that the situation Brazil is currently going through—the Brazilian president has been charged with economic crimes and is facing impeachment in Congress—"is a fact that, to some extent, may have delayed" the case's resolution. He denied, however, that the handing over of Romo to the Chilean courts is "trapping," noting that "it depends on administrative decisions about which I obviously cannot report."

Vargas reiterated that the Chilean Government has a "permanent" interest in bringing Romo to the Chilean courts, as was shown one month ago, when Aylwin phoned Collor to ask him for the expulsion of Romo from Brazil and his transfer to Chile.

Aylwin Says NAFTA Opens Door With U.S.

PY0409133292 Santiago EL MERCURIO in Spanish 13 Aug 92 p A1, A12

[Excerpt] President Patricio Aylwin stated on 12 August that the free trade agreement between the three countries of Northern America opens the door for the beginning of the negotiations between Chile and the United States with an eye to signing a similar agreement. [passage omitted]

Acting Minister Cites Achievements at Summit

PY0509135692 Santiago Radio Cooperativa Network in Spanish 2300 GMT 4 Sep 92

[Report by Carmen Castro from the Foreign Ministry building]

[Excerpts] After attending a preparatory meeting of ministers, Acting Foreign Minister Edmundo Vargas today called a news conference in which he announced Chile's successful reinstatement in the Nonaligned Movement.

Among Chile's major achievements at the summit held in Jakarta, Vargas pointed out the resounding support for Chile's proposal to convene a world summit on social development in 1995, as well as Bolivia's decision—for the first time in 20 years—to cross off the agenda the issue of its sought-after outlet to the sea. It should be mentioned that Vargas attended the Nonaligned Movement Summit of heads of state held, as already pointed out, in Jakarta, Indonesia. [passage omitted]

With regard to the issue of Bolivia's request for a sea outlet, one of Chile's greatest successes was to have this issue withdrawn from the agenda and that it be considered a bilateral issue. Moreover, Chile also managed to convince member countries to uphold the Antarctic Treaty. [passage omitted]

The great challenge before us, according to Vargas, is to struggle against poverty, because per capita income figures by no means reflect social justice. He added that these indicators hide harsh realities, such as the ones prevalent in Chile where 2.5 million people live in poverty and do not benefit from the advantages of a modern society. Furthermore, the nonaligned countries are seeking renewed international cooperation.

The other restraints surmounted at the summit consisted of doing away with a false tenet held by the movement by virtue of which member countries were refraining from helping those nations in which human rights were violated out of fear of interfering in the domestic affairs of those nations.

The task ahead includes such matters as the environment, poverty, human rights, and participation in and upholding democracy.

Aylwin 'Sorry' Senate Maintained 11 Sep Holiday

PY0309161692 Santiago Radio Chilena Network in Spanish 1100 GMT 3 Sep 92

[Excerpts] President Patricio Aylwin announced that his cabinet will change next October. He said, however, that the changes will not be drastic nor deep-rooted and that they will not affect the Interior, Finance, or Defense Ministries.

The chief of state referred to this and other issues during an interview granted to Television Nacional Press Director Patricia Politzer, broadcast last night by that television channel. [passage omitted]

Regarding Army Commander General Augusto Pinochet's comments and the announcement that he will celebrate 11 September [anniversary of the military coup that brought Pinochet to power in 1973], Aylwin reiterated that this date divides the Chileans.

He said that the Army commander's decision to celebrate this date is probably, to a great extent, because he played an important role in the events that took place on that date.

[Begin Aylwin recording] I respect General Pinochet's point of view. He is free to fire cannon volleys within the barracks. I have always maintained that, in my opinion, 11 September does not unite but rather divides the Chilean people. Therefore, I am sorry the Senate rejected the draft bill proposing the elimination of the 11 September holiday. I do not think it is a date to celebrate and I believe that as time goes by the great majority of Chilean people will, undoubtedly, forget this date or recall it as a sad episode in Chilean history rather than something to celebrate with cannon volleys and a feast as the general has said. I understand him, he played an important role in the event and he is feting himself. [end recording]

Pinochet Reacts to Proposal

PY0409153892 Santiago Radio Chilena Network in Spanish 1100 GMT 4 Sep 92

[Text] Army Commander General Augusto Pinochet voiced surprise over the turmoil stirred up by his

announcement that he will celebrate 11 September [date of military coup that brought Pinochet to power in 1973] with a 21-gun salute.

Asked about President Patricio Aylwin's comment that it is not a date for celebrations, Pinochet said that the chief of state has a right to think what he likes and that he, in his capacity as commander in chief of the Army, does not have the authority to say whether he agrees or not with him.

[Begin recording] [Pinochet] President Aylwin is the president of the Republic and as such has the right to think what he likes, whenever and whatever he wants. I, in my capacity as commander in chief, have no authority to say whether I agree with him or not. In other words, your question is formulated incorrectly.

[Unidentified reporter] [passage indistinct] to celebrate 11 September with a 21-gun salute?

[Pinochet] Why? What is the problem about celebrating the 11th at the Military School? Therefore....

[Reporter, interrupting] Is there any rule about the use of a 21-gun salute?

[Pinochet] A 21-gun salute is always used when honors are paid or something special is celebrated, it celebrates something special, like when authorities at a presidential level arrive in our country. Therefore, what is the problem?

[Reporter] Minister Ricardo Lagos has also criticized your decision to celebrate the 11th.

[Pinochet] Minister Lagos also has the right to think what he likes. What do you think, that I am going to tell him not to do so? [words indistinct] [passage omitted]

[Reporter] There are rumors that the Dine [Army Intelligence Directorate] participated in the case of espionage involving Senator Sebastian Pinera.

[Pinochet] That question takes me by surprise because I know nothing about it. You have posed the wrong question because nobody has heard anything.

[Reporter] No. No. One of the people participating in the television program suggested this possibility, that it is certain....

[Pinochet, interrupting] Ah, well. There is talk about the possibility.

[Reporter] What do you think about this possibility?

[Pinochet] I reiterate what I have just said. This is not a question for me because I know nothing about it. [end recording]

General Pinochet made this comment after a ceremony during which he donated busts and documents related to Napoleon Bonaparte to the Military School.

'Recognizes' Aylwin's Authority

PY0809023092 Santiago Radio Cooperativa Network in Spanish 2300 GMT 7 Sep 92

[Excerpt] Asked to comment on an answer given by General Augusto Pinochet Ugarte during an interview, Interior Minister Enrique Krauss said that Gen. Pinochet has shown, not only through words but also through actions, that he recognizes the president of the Republic's authority and that the president is the one who gives orders.

[Begin Krauss recording] Gen. Pinochet has shown, not only through words but also through actions that he recognizes that it is the president of the Republic who gives orders and holds the power in this country. [end recording]

Regarding the 11 September celebrations, he said that President Aylwin will not be in Santiago and that a group of Interior Ministry officials will be on the alert to face probable riots. [passage omitted]

Opposition Reacts to Aylwin's Remarks on Dine

PY0409115892 Santiago Radio Chilena Network in Spanish 1700 GMT 3 Sep 92

[Report by Rosa Alcallaga]

[Text] National Renewal President Andres Allamand has said that President Patricio Aylwin's comment that he has no control over the activities of the intelligence services of the Armed Forces, specifically of Dine, the Army Intelligence Directorate, is very serious. This comment was made last night by the president of the Republic during a television interview. Allamand said that the president must explain to the nation his unfortunate statement.

Allamand also rejected the existence of a parallel government in Chile.

[Begin recording] The Constitution does not permit any parallel government. The Constitution establishes that the Armed Forces are professional organizations, obedient, disciplined, and fully subordinated to the political power through the Defense Ministry. I categorically reject the possible existence in Chile of a parallel power. And I want to add one more thing. I doubt that the president of the Republic will accept that there is a parallel government in Chile today. If the president of the Republic admits the existence of a parallel government in Chile, I think we should talk about this, because it would be very serious, at various forums. [end recording]

Allamand added that he supports the reduction of the presidential term from eight to six years, with no reelection. He said that as of 7 September he will promote a discussion on the matter within his party. He admitted that there are different opinions on this matter within his party. He rejected criticism of young politicians, both from President Patricio Aylwin and from Francisco Pratts of the

National Renewal. Allamand added that Aylwin lacked equanimity and exaggerated, making inappropriate remarks on isolated cases such as the Pinera case to obtain political benefit, seeing the speck in another's eyes and not the beam in his own, reminding him of his role as president of the Christian Democratic Party in 1988 over the scandal that was known as Carmengate.

Asylum Denied for Alleged Shining Path Supporter

PY0609012792 Santiago LA TERCERA DE LA HORA in Spanish 25 Aug 92 p 16

[Text] The government will not grant asylum to Peruvian citizen Beatriz Gamarra, who told the Chilean Government that she was being persecuted politically in her country, where she had been accused of being a Shining Path supporter.

Interior Minister Enrique Krauss said that "she entered Chile illegally under another identity. She then asked for political asylum. According the data that we have been able to obtain there is no indication that she is being politically persecuted in her country. We spoke with UNHCR (UN High Commissioner for Refugees) authorities, who promoted the request, and we have asked them to tell this person to desist. We do not object to giving her a 90-day visa so that she can regularize her situation or travel to another country."

National Renewal's Pinera Drops Candidacy

PY0809022292 Santiago Television Nacional de Chile Imagen Internacional in Spanish 0000 GMT 8 Sep 92

[Excerpt] Senator Sebastian Pinera gave up his presidential candidacy as a representative of the National Renewal [RN] party. He explained his reasons in a letter he sent to RN President Andres Allamand.

Sebastian Pinera today began a new stage. Although he did not want to talk about his resignation, he confessed in his office this afternoon that he feels calm after having made the correct decision, a decision expressed in a letter written today at dawn but which had been in his head since the moment he learned about the espionage case. In the letter, Pinera explains that the espionage case, together with the upheaval it caused in his party and the political situation it generated, led him to decide not to continue working as a pre-candidate. Pinera denied any internal pressures on him, although he recognized that his pre-candidacy was born and had ended in an atmosphere of internal attacks against him. Despite everything, Pinera states in his letter that he does not feel inhibited about heading the presidential race for his party and that he will continue working on the government platform he has been preparing for months. [passage omitted]

Will Investigate Phone 'Tapping'

PY0809212892 Santiago Radio Chilena Network in Spanish 1100 GMT 8 Sep 92

[Excerpts] [passage omitted] Senator Sebastian Pinera has sent a letter via fax to National Renewal Party President Andres Allamand—which Allamand commented on to reporters—saying that he considers it prudent not to continue working on his presidential bid in order to dedicate all his time to contribute to clarifying who was responsible for tapping his telephone.

In the document, Pinera makes it clear that he does not feel he is unfit to become a presidential candidate, adding that he learned from his mistakes and will strive to uncover the criminal conspiracy to destroy his government program entitled New Roads to Freedom, designed by himself and his team of advisers. [passage omitted]

The National Television Council gave Megavision eight days to explain why it violated Article 1 of Law No. 18838 on communications privacy established by the Constitution. Last week the Television Council filed charges against Megavision for transmitting Sen. Pinera's private conversation. The council has accepted the request for time by the television station to work on its defense.

The Television Council's resolution considers that the public broadcasting of a private telephone conversation obtained by someone who violated a constitutional guarantee constitutes a violation of regulations on the correct operation of television services. [passage omitted]

Special Prosecutor (Alberto Sceno), who is investigating the telephone tampering affecting Sen. Sebastian Pinera, said that those responsible for the violation should be exemplarily penalized. [passage omitted]

Senator Proclaims Presidential Candidacy

PY0309153492 Santiago EL MERCURIO in Spanish 24 Aug 92 p C3

[Excerpts] During meetings held in the neighborhoods of San Antonio, Llolleo, and Barrancas in which he announced that he will be running for the presidency for the Radical Party, Senator Anselmo Sule Candia stated that education should be the state's major concern in view of its social and human interest in training the new generations. [passage omitted]

Sule also outlined a draft government program that will be submitted to the Coalition of Parties for Democracy. [passage omitted]

Colombia

Escobar Warns U.S. of Possible Kidnappings

PA0809173092 Mexico City NOTIMEX in Spanish 1625 GMT 8 Sep 92

[Text] Santa Fe de Bogota, 8 Sep (NOTIMEX)—Pablo Escobar Gaviria, head of the Medellin Cartel, on 8

September warned that if the U.S. Government kidnaps any Colombian drug trafficker it will be exposing itself to the kidnapping of its own citizens which will be used for exchanges.

The fugitive drug trafficker answered a list of 123 questions, which were published by a local newspaper. Escobar said that the so-called "irregularities" at the jail where he was being held were negotiated with President Cesar Gaviria's government.

"Regarding the possibility of a kidnapping, this has been repudiated internationally. Besides, the United States would be exposing itself to the kidnapping of its citizens to be exchanged for those kidnapped by them," Escobar said.

The U.S. Supreme Court issued a ruling that allows for the arrest of foreigners to be tried in the United States. The ruling was issued weeks prior to Escobar's escape and it has heightened the fear of the Colombian people that the U.S. Drug Enforcement Administration (DEA) could kidnap the drug trafficker.

Gaviria explained that "my problem has become political; it seems that I could be important for George Bush's reelection." The election campaign in the United States has entered its final leg.

While the Colombian security forces supported by the U.S. Government have conducted an intense search operation to find the drug trafficker, the Colombian people listened to Escobar's side of the story on his arrest and escape broadcast by the main radio and television stations.

EL NUEVO SIGLO, the opposition newspaper, published Escobar's statements. According to Escobar, his 22 July escape "was provoked by the Colombian Government."

"I was simply given a respectable jail with special conditions which were agreed upon previously by the government," Escobar stated in the document he sent to EL NUEVO SIGLO and which contained his fingerprint and signature.

Among his statements, he reiterated his conscience is at peace and he does not repent his escape during a foiled operation to transfer him to a military garrison.

"What I least repent is escaping. If I went back to that day, at that same time, in the same place, and under the same circumstances, I would no doubt try to get away immediately," he stated.

After stating that President Gaviria's policy of subjugation to justice "continues to be an alternative to avoid war and violence," he said that if he had been informed of the transfer "I would have let two soldiers take me and there would be no need for battalions and tanks."

Escobar surrendered to justice in June 1991 after six months of negotiations with Gaviria, who had turned the policy of subjugation to justice into one of his main banners.

The contents of the negotiations have not been revealed by the government, which has instead dedicated time to publicize "the television sets and the doll house I built for my daughter in the jail," said Escobar.

Days after Escobar's escape, the Prosecutor General's Office organized a tour of the Envigado jail, 20 km from Medellin, to show the media the "luxuries" that surrounded the drug trafficker and the 14 inmates imprisoned in the so-called "Cathedral."

According to Escobar, the bomb shelters and the rest of the modifications to the jail, which the authorities considered to be a "scandal," were made "to protect our lives since that was the government's main commitment."

He recognized that the Envigado jail had comforts, but insisted that when the government thought they were excessive, "we eliminated what they told us to without protesting."

As NOTIMEX was able to confirm at several newspaper stands in this capital, the EL NUEVO SIGLO ran out of copies of today's edition early this morning.

Officials React to Escobar Surrender Conditions

PA0809175892 Santa Fe de Bogota Inravision Television Cadena 1 in Spanish 1630 GMT 8 Sep 92

[Excerpts] Pablo Escobar decided to end his silence and defend himself before the country 49 days after he escaped from the Envigado prison. A group of journalists, led by EL NUEVO SIGLO editor Juan Gabriel Uribe, drew up a questionnaire for the drug trafficker. Escobar took 10 days to answer the questions. The answers with his fingerprints and an audio cassette arrived in an envelope. Escobar appears to be irresolute regarding a new surrender to justice. He states that the important thing is respect for his rights. He even says he has no problem with being held in a humble prison as long as it is located in Antioquia Department, where he feels safe and close to his family. In the cassette, Escobar speaks calmly. He states he escaped because the authorities entered the prison shooting. He states the orders for his transfer were not clear and that he escaped through the back of the prison. Escobar also denies that Army noncommissioned officers cooperated in his escape. [passage omitted]

The prosecutor general has replied to Pablo Escobar. Prosecutor General Gustavo De Greiff said that the request for a prison near his family and his traditional place of residence is addressed in the law and would not be a problem. Here is the prosecutor general, who spoke to Marcela Duran.

[Begin recording] [Duran] Prosecutor General Gustavo De Greiff said that if Pablo Escobar surrenders again, it

is completely legal and acceptable for the prison in which he would be held to be located in Antioquia Department. According to De Greiff, the law permits prisoners to be held near their relatives. The most important thing for the prosecutor is that the prison be secure.

[De Greiff] The site must be near the place of residence of the relatives so they can visit him. In addition, it must meet conditions of safety, both for society to prevent the prisoner's escape and for the prisoner to secure his physical protection. Therefore, the law is very clear on this point and this is what we would have to apply in each specific case.

[Duran] So the possibility exists that he could be held in Antioquia?

[De Greiff] That is right. I do not see any obstacle because this is addressed in the law.

[Duran] As for the possibility of negotiating a reduction of sentence for Escobar, he said the new code of penal proceedings permits this. He added that if Escobar surrenders, he would also be tried for escaping.

[De Greiff] Of course, that is a crime. That is the subject of the investigation being carried out by the Prosecutor General's Office. That is the reason for the writ declaring him an absent defendant and appointing a public defender, as is the case for the others who also escaped from prison.

[Duran] The government and justice ministers said the government respects the decisions of the Prosecutor General's Office on the new imprisonment site for Pablo Escobar.

[Justice Minister Andres Gonzalez] The decision on the new imprisonment site is up to the Prosecutor General's Office. The government obviously reserves the right to make observations about the security conditions.

[Government Minister Humberto de la Calle] The prosecutor general has the power to make the decision and the government would simply execute his decisions. [end recording]

'Indefinite Suspension' of Talks Announced

PA0809183992 Mexico City NOTIMEX in Spanish 1744 GMT 8 Sep 92

[Text] Santa Fe de Bogota, 8 Sep (NOTIMEX)—The Colombian Government announced on 8 September the indefinite suspension of peace talks scheduled for resumption next month in Tlaxcala, Mexico, due to the new guerrilla offensive.

"There is no atmosphere or opportunity for the dialogue," Government Minister Humberto de la Calle told the media.

The Simon Bolivar National Guerrilla Coordinating Board (CNGSB) recently launched a harsh nationwide military campaign that has caused several casualties among government troops and critical economic losses due to sabotage on the country's oil pipelines.

De la Calle accused the CNGSB of trying to "create a false image of strength" before the dialogue approved between the two parties for 31 October. According to the minister, the dialogue will be postponed "until the guerrilla groups prove their political will."

The official reasserted the government will not give up its peace policy because, he said, "we believe a dialogue will always be the mechanism to end the war."

The government and the CNGSB began in 1991 a peace process whose development has been plagued by obstacles that have prevented the achievement of a political agreement.

During the last meeting held in Tlaxcala between March and May 1991, the parties abandoned the talks amid an atmosphere of tension and mutual accusations.

The minister's statements were supported by the announcement that Horacio Serpa, presidential peace adviser, had withdrawn from the talks. He explained his decision was reached because "there is no appropriate atmosphere to reach agreements with the CNGSB in the near future."

* Gaviria Rejects Tolerance for Drug Traffickers

92P40261A Santa Fe de Bogota EL ESPECTADOR in Spanish 15 Aug 92 p 12-A

[Text] "Society must learn that tolerance for drug trafficking does not guarantee peace; tolerance for drug trafficking guarantees its spread and that of criminal organizations. Tolerance and silence are accomplices to murder and terrorism," President Cesar Gaviria said yesterday on the occasion of the anniversary of the Presidential Guard Battalion. The president said that it was not the policy of surrendering to justice that led to a crisis, what is creating a crisis "is the tremendous power to corrupt and intimidate of Pablo Escobar, whose bribes and threats open doors, obtain him favors, win him favorable declarations, grant him the benefit of the doubt, and guarantee him daily absolution by those whom he threatens or pays off."

He added that "it is money's enormous power to corrupt that has brought about a situation where all of society is involved in a debate that smears the image of good people."

Gaviria said that "what caused a crisis are some of the guarantees that were made to protect the lives of inmates and ended up becoming a mechanism for continuing criminal activity from prison."

Describing those who let themselves be bought off by the kingpin as a "bunch of cowards," he said that intelligence organizations and Colombians in general are on Escobar's trail.

Finally, he said that "peace cannot be bought with silence and passivity or with ambiguous statements."

*** Pastrana Assesses Gaviria Administration**

92SM0574A Santa Fe de Bogota EL TIEMPO in Spanish 9 Aug 92 p 6B

[Article: "The Reconciled Opposition"]

[Text] Senator Andres Pastrana confirms that development of the Constitution is both his program and that of the New Democratic Force and that he will be with the government as long as he should be.

Pastrana will say that both parties are very reserved about the issue. One should point out that many reporters cannot bring themselves to accept the fact that he and other young politicians, whatever their political affiliation, are adopting the same positions and evasive tactics of traditional politicians.

Suddenly it is a mistake to think that in politics, being young is an advantage.

Pastrana was invited to EL TIEMPO this week for a luncheon at which two appraisals were to be made: his own of the Gaviria Administration and the journalists' view of him. If neither one turned out very clear, it was not for want of questions!

The fact is that Pastrana waxes "generic" when he should be specific and resorts to broad formulas (some of them bombastic) that do not always answer questions completely.

On the other hand, his technique in a dialogue has never varied. He listens very attentively and when he finally responds, he immediately names his interlocutor. Communications experts say it is a tack that always causes the questioner to drop his guard.

Nor does Pastrana forget that he was criticized during his campaign for saying his program was the Constitution. It is a seductive kind of rhetoric (there was a great deal of it at the time), but it did not shed much light on what direction his group would follow in the Senate. Now there are more clues, and he insists that the development of the Constitution will be his compass heading (and that of the country) for several years.

It is a program that does not say much about his view of the opposition or, to be more precise, his relationship with the Gaviria administration. The scenario is so complex that only its basic tenets have been made clear: Pastrana made agreements with the government on certain matters of national interest that always use the same *modus operandi*: preliminary discussions to smooth away disagreements and pave the way for speeding up the approval process in Congress.

Cogovernment? No, he says. The fact is that this government is not based on party, but rather, on national spirit. Pastrana does not assume such an attitude without a special interest: showing that this is what the country wants and that it is for this very reason that his group has not become a party.

He uses the "proof" to defend himself when asked about his program (who can articulate a program with such a national mixture?). It is also the reason why he does not agree with the requirement that the vice president come from the same party as the president. "It is the parties that should prohibit this in their bylaws and not the Constitution."

With equal ease, he admits that agreements with the government do not mean he cannot maintain a critical attitude toward it.

Everyone is therefore on shaky ground, particularly when one realizes that he has two ministers in the Cabinet and that before forming his latest government, Gaviria came to a negative conclusion about the M-19's halfway compromise.

It was a message that Pastrana apparently understood perfectly. One has the impression he is totally committed to Gaviria and, more specifically, to the policy of economic openness (which is what he supports the best). He defends it thoroughly and even calls Gaviria "courageous" and "brave."

Nor does he budge from that position, not even when he is shown its poor results in terms of jobs, inflation, and, among other things, farm policy. They are all necessary evils of this first phase, he says in substance. "The results will be visible this coming year."

On economics, he is a somewhat vehement defender of integration with Venezuela and the privatization process.

He even calls for a general framework law for privatization in order to avoid sectoral debates (Telecom, the FFNN [National Railways], and so on). Implicit here is an open criticism of the government's policy that Pastrana makes explicit: "The government's privatization process is very slow."

Nor is there any need for Pastrana to confess his enormous faith in the market law: He is an uncompromising neoliberal. It is apparently part of his conservative credo, along with the shrinkage and modernization of government and a philosophy that integrates freedom and order.

It is clear to him: It is what now defines a conservative. Then what would characterize a Pastrana conservative? "I am the one to decide," he answers. It is a simple profile that does not speak of ideological outlines, values, or a philosophy of life, and he says as much. For Pastrana, it is a whole program.

With equal optimism, he turns to another issue, the environment, which the president has pledged to push. It is an optimism that, at the present time and due to a lack of concrete results, he can only communicate to the senator who accompanies him: Jaime Ruiz Llano.

Has the government handled the peace issue properly? One is forced to ask him several times in order to make him admit that it is not a good policy to dialogue unless the guerrillas have first laid down their arms and turned over the hostages. Here again, one can see that Pastrana is betting that the government will obtain results (and helping it to do so).

An analysis of what happened in the Senate as a result of Escobar's escape more than corroborates this impression. Pastrana is specific: He and his group did not get into the debate for the purpose of ousting ministers, but rather, of redrafting the policy of surrender.

Pastrana wants to modify it because he believes in it. He wants to correct the prison system, "faceless" judges (are they that hidden?), and law enforcement tribunals in order to show, in the final analysis, that Colombia can try its own criminals.

Did he find the government's answers satisfactory? No, he says, for one was left with more questions than answers. He is told that his group absolved the government without having all the information. Not only does he voice his disagreement, but repeats that he wants a top-level commission to be set up with all the powers it needs to investigate what truly happened at Envigado Prison.

He denies that, despite the lack of information, he is absolving the government. He then immediately contradicts himself, stating once again that neither the government nor he himself knew the entire truth and he is convinced that it acted in complete good faith. Several attempts are made to get him to be more specific. He repeats himself.

Drug trafficking is one subject he has mastered because he has studied Italian legislation and knows what the United States does. However, he provides no further elements for analysis, confining himself to recommending crop replacement, active presence at the Vienna Convention, and a policy of prevention and education, nothing new. "A great deal remains to be done before we reach the point of legalizing drugs."

What is new is his announcement that his group is working on public service statutes, education reform, a housing policy, in short, other programs that the government has already announced.

And what about Gaviria's two years of government? He admits a number of frustrations: He still sees a great lack of discipline in Congress. He does not like the way the Ethics Commission came out of the regulations. He is somewhat disappointed in young people, saying they have not been much helped by the past two years. "Some are lacking in political experience. We have to mix young people with more experienced people."

He refused to speak about his candidacy (or rather, about the date on which he will announce it). It remains to be seen whether, when the announcement finally does come, he and his advisers will have their formulas nailed down better.

* Agreement Reached With Venezuela on Dam

92SM0577B Santa Fe de Bogota EL ESPECTADOR in Spanish 7 Aug 92 p 8A

[Report by special correspondent Hector Hernandez M. in San Cristobal, Venezuela]

[Text] The possibility that Colombia might take part in the Uribante Caparo hydroelectric project, which Venezuela has been pursuing by fits and starts for several years, is about to become a reality.

Our country, with private capital, would come in as an investor in the dam project, a decision about which is expected to be made on 9 August.

The operation was announced at the inauguration of the Binational Business Council, which was attended by the presidents of Colombia and Venezuela, Cesar Gaviria Trujillo and Carlos Andres Perez.

The two countries signed an agreement on energy matters for the generation of 200,000 kilowatts of electricity.

The meeting in San Cristobal was attended by six ministers of state from Colombia and five from Venezuela, along with leaders of the productive sector associations of both countries.

Mechanisms that will provide businessmen with guarantees of stability began to take shape at the meeting, which will close on 8 August.

Preliminary steps were also taken for the formation of the Binational Border Customs, which is expected to begin functioning in the near future.

The purpose of the Binational Business Committee is to develop projects for investment in the productive sector.

The likelihood also improved for a drawing together of the financial sectors of both countries, as modification of the patriot country [pais patriota] banking laws became imminent.

In addition, an agreement was signed to adopt common technical standards for the two countries.

Colombia in the Dam

During the meeting in the capital of the State of Tachira (Venezuela), the director of National Planning of Colombia, Armando Montenegro, announced that he will meet with his counterpart, Ricardo Hausmann, to refine the details of the Uribante Caparo hydroelectric project.

This is a dam that is being constructed on the Colombia-Venezuela border and that has not been completed because of problems similar to those that have affected the Guavio Dam.

According to Montenegro, Colombia will invest in the dam to speed its completion and to benefit from it in order to alleviate our country's deficit in energy.

The dam would thus generate electrical energy for Venezuela and for Colombia.

The meeting on 9 August will establish the amount of Colombia's public and private sector investment and the benefits Colombia is to receive.

It was previously known that this subject was to be discussed at the meeting in San Cristobal. Nevertheless, the discussion was postponed by the two planning directors on the grounds that they had not received timely notification.

This is the reason the meeting will take place on 9 August, jointly with the managers of ISA [expansion not given] and of Edelca [Caroni River Electrification Project] of Venezuela.

On the other hand, the Binational Business Council began to meet yesterday, 6 August and scheduled its next session for September.

This body seeks to further economic integration and cooperation between the two countries.

* Poll Shows Negative Perceptions of Border Zone

92P40266A Santa Fe de Bogota EL TIEMPO in Spanish 12 Aug 92 p 11A

[Text] There is "antiborder" and "anti-Colombian" sentiment in Venezuela according to the results of polls conducted by the Center for Border Studies and Research of the University of the Andes and published this Tuesday in Caracas.

The polls, conducted to reveal the attitudes of the inhabitants of Tachira (State), located on the border with Colombia, show that the word "border" is associated with crime, Colombians, the informal economy, and poverty.

"Although border violence is an established fact, as are kidnappings, the official statistics show that the number of crimes in that region is not proportional to the magnitude of the public's negative perception," noted Pavel Rondon, editor of the publication "Dossier Fronterizo."

In addition, it was found that Venezuelans felt superior to Colombians, but inferior to Italians, Argentines, and Americans.

* Businesses Polled on First Semester Growth

92SM0577A Santa Fe de Bogota EL ESPECTADOR in Spanish 8 Aug 92 p 8A

[Text] There seems to be no doubt. The industrial sector has shown signs of growth during 1992. At least, if the first semester is compared with that of 1991.

Statistics from Fedesarollo [Federation for Development] (EL ESPECTADOR 2 August 1992), which showed a slight improvement in the first semester of 1992, were followed by the Survey of Industrial Opinion of the National Association of Industrialists (Andi), which indicated growth of 6.7 percent compared with the same period of 1991.

Although the growth statistic that the survey reports seems ideally high, it must be remembered that the period in 1991 that is used as a basis for comparison registered a decline in production of 2.7 percent, according to Dane [National Administrative Department of Statistics].

Everything considered, the figures are very positive. For example, according to the industrialists, sales grew by 8.1 percent compared with the same period of 1991. In June, 80.3 percent of those surveyed said that their production had increased in terms of volume, and 70.9 percent said that there sales had increased.

The increase in sales is reflected in the percentage of replies on utilization of installed capacity, which in June was at 81.1 percent, a figure that was last attained at the end of 1990 and that is six points higher than the one reached in June 1990. The average rate of utilization for the six month period was 78.2 percent.

If the replies on inventories seem to be contradictory—22.2 percent consider them to be high, 64.7 percent normal and only 13.2 percent low—Andi explains that some firms are importing finished products for direct sales.

Let Competition Come

The fear caused by the impact of open competition on domestic industry does not seem to be persisting. Whether it is because the process is still in an initial phase or because domestic products are competitive, the fact is that 58.8 percent of the industrialists said that their production had not been affected by imports. Of the remainder, 30.3 percent said that their production had been affected slightly, and 11.2 percent said it had been affected a great deal.

On the other hand, 66 percent of the firms expect to increase their exports, measured in dollars, in the second half of 1992 compared with the first half.

Andi's analysts attribute this increase in plans for export to the stabilization during recent months of the real exchange rate, which has eased expectations of currency revaluation.

A Good Situation

When businessmen were asked in June how they saw their firms' general situation, 74.5 percent said it was good, 24.5 percent said it was fair, and 0.9 percent believed it to be bad. For the six-month average, 67.1 percent considered their situations good, as compared to 60.5 percent who held that opinion a year earlier.

With regard to the volume of orders, the replies in June were also positive. Orders were high for 86.4 percent of the firms, they were fair for 13.2 percent and low for only 0.6 percent.

Again, industrialist indicated low demand and electricity rationing as their principal business problems.

Although the survey's results are more than favorable, it should be kept in mind that it is based on information from large and medium-sized firms, which have been able to adapt more easily to shortages of electricity.

Ecuador

Country Experiencing 'Virtual State of Siege'

PA0809181492 Madrid EFE in Spanish 1606 GMT 8 Sep 92

[Text] Quito, 8 Sep (EFE)—According to some local newspapers, Ecuador is militarized and in a virtual "state of siege" due to protests over the government's recent economic adjustment measures and the increase in crime in several cities.

The morning EXPRESO newspaper considers the mobilization of the Armed Forces throughout the country as a virtual "state of siege."

According to HOY newspaper, the mobilization "is due to government fear of possible disorders similar to the 'Caracazo' [Venezuelan hike in prices that signalled the start of violent protests] at the beginning of 1991 in Venezuela, to which the people reacted violently against government measures."

The government justified the decree—dated 3 September but announced on 7 September—"due to the serious domestic commotion."

On 3 September the government announced an economic adjustment program, with noticeable increases in the prices of gasoline, liquid gas [cooking gas], electricity, and a severe cutback in public spending. These measures were rejected by opposition parties, deputies of the ruling party, and by trade unions.

Citizen protests have not become generalized and have been limited to student movements, although the trade unions have threatened a national strike and have called for civil disobedience and for the people not to cutback on electric power consumption.

The decree's preamble states that "all over the country, and especially in the cities of Quito and Guayaquil—the two most populated areas—vandalism continues, in addition to attacks to people and there is considerable damage to private and public property."

For several weeks the media have reported increases of common crime in the two main Ecuadoran cities.

During the 5 September weekend, four bombs exploded in several official buildings in Quito, Guayaquil, Latacunga, and Riobamba. There is still no information on who planted the bombs and if they are related to the economic program instituted by the government of Sixto Duran-Ballen, who will be in office one month on 10 September.

Peru

Fujimori, Ministers Discuss Security Actions

PA0909045292 Lima Global de Television Network in Spanish 0100 GMT 9 Sep 92

[Text] President Alberto Fujimori held a special meeting on 9 September with Interior Minister Juan Briones Davila and Defense Minister Victor Malca Villanueva at the Army headquarters. Apparently the meeting was to discuss what actions should be taken in view of the increasing violence unleashed by the subversives. The meeting was also attended by Adolfo Cuba y Escobedo, commander general of the National Police, and other high-ranking officers of the Armed Forces.

Although the meeting was held behind closed doors in San Borja, it was learned that they agreed on actions to protect the people and the hundreds of candidates who will participate in the elections for the Democratic Constituent Congress.

Former Fujimori Adviser on 'Soft Dictatorship'

PY0809201892 Buenos Aires PAGINA/12 in Spanish 15 Aug 92 p 16

[Telephone interview with Hernando del Soto, staunch supporter of neo-liberalism in Latin America and former adviser to Mario Vargas Llosa and Alberto Fujimori, by PAGINA/12 reporter Ruben Levenberg; place and date not given]

[Text] [Levenberg] Is there any risk of the military staging a coup to oust Fujimori?

[Del Soto] This is very difficult to predict since the military are secretive about their moves. It is rather suspicious that the Army commander-in-chief deemed it necessary to publish a three or four-page communique in the newspapers asserting that he champions the cause of the duly constituted authorities and therefore has no intention of staging a coup d'etat. Something is happening, but nobody really knows what.

[Levenberg] A few hours ago, Argentine Ambassador to Peru Julian Licastro, stated that the Shining Path might occupy Lima. Do you think that is likely?

[Del Soto] Absolutely not. Nevertheless, the Shining Path is capable of inflicting much damage. Its terrorist strategy is obviously very effective. It infiltrated Lima through one of its armed branches, the People's Guerrilla Army (EGP), which is based in the provinces. This group perpetrated terrorist attacks in Lima and got away unscathed. It sabotaged the whole city, killed scores of people, planted bombs, and murdered people. The Shining Path may be a constant headache to the government but it is not in a position to capture Lima.

[Levenberg] Is this an indication of Shining Path's efficiency or of the errors of the government's antiterrorist policy?

[Del Soto] Neither. It is mainly the fault of the Peruvian State. the Shining Path is chiefly waging a political war. Its first move is to undermine government authority by belittling government credibility. The Shining Path does not seek to win on the battlefield but to use terrorist methods to prove that the government is powerless to resist determined people. President Fujimori had no sooner promised to fully destroy terrorism in Peru than [Shining Path Leader] Abimael Guzman's followers entered Lima wreaking havoc. If Fujimori were to say that he will rout the Shining Path by 1995 and Abimael Guzman were to reply that he will control Peru by the turn of the century, one would be more inclined to believe Guzman than Fujimori. This is the war that terrorism is winning. Guzman is not moving within our time frame. He has all the time in the world.

[Levenberg] And it seems that he is quite successful....

[Del Soto] The government is being overwhelmed. That is why we, through the Freedom and Democracy Institute, have been proposing some substantive changes. Our economy should be decentralized, market-oriented, less vertical—and local governments should be allowed to have their say in economic matters. The government would thus be able to entrust power to the people, so that they could make a stand against the Shining Path: The way things stand now, they cannot to do this. This vacuum has been filled partly by the various parallel governments [gobiernos informales] that have emerged. It has not been filled by the Shining Path because it is too cruel, although if the Shining Path does not step into the breach, some other similar organization will. The Shining Path is just the beginning of a nightmare. Peru runs the risk of having one, two, three, or six Shining Paths.

[Levenberg] Is it true that you called for Alberto Fujimori's resignation, as some newspapers reported?

[Del Soto] No, that is not true. I resigned my unofficial post as personal adviser. We promoted the stabilization program and the structural reform plan. The president even entrusted us with the alternative development program for coca and Peru's foreign policy. I resigned in January following my denunciation of the objectives which seek to eliminate a traditional macroeconomic policy but which only tackle the symptoms and not the deep causes underlying the failure of a market economy in Peru, or the causes of violence and authoritarianism. Another reason why I resigned was the flagrant corruption in drug-related issues in those areas beyond my competence. Moreover, there was a very serious incident. The peasant leader with whom we were negotiating the administration's crop substitution policy was murdered and, according to those close to him, the homicide was committed by someone within the government.

[Levenberg] Do you suspect somebody of the murder?

[Del Soto] I merely requested what the peasants asked for, namely that an investigation be conducted. My request received no reply. The whole matter just sank into oblivion.

[Levenberg] Nonetheless, you returned to public office after the 5 April coup....

[Del Soto] Not exactly. On 8 May, I was summoned by the president to help him find a solution to the problem with the developed countries and the OAS following the withdrawal of their support for his economic stabilization program and our reinstatement in the international markets. As I had been in charge of the political aspects of that program, I publicly accepted. I designed the guidelines and policy of his speech to the OAS. I subsequently resigned again after explaining that I thought it was wrong for Peru to give up what it had gained so far and made it clear that this position did not mean that I was working for the president. Although I have not worked for him again, I never called for his resignation.

[Levenberg] Do you have any contact with opposition parties?

[Del Soto] No, I do not. I do not think they are on the right track. The trouble with Peru is that the system, as it is now, does not work. The opposition could not even garner 10 percent of popular support to condemn the coup d'etat. This should make them realize that something does not quite fit, that there must be a reason why Peruvians do not consider the opposition to be their legitimate representatives. That is an indication that the representative system, the very essence of democracy in Peru, does not seem to be functioning. And yet the trend now is to demand a return to our previous situation. It is most improbable that a man holding a position similar to that of Louis XIV would introduce reforms of his own accord. Thus, we have advised the president on numerous occasions to seek other mechanisms of popular representation, to communicate with the people so that politicians may be obliged to answer the people and account for their actions.

[Levenberg] Do you advocate doing away with political parties?

[Del Soto] By no means. Who said that? We do believe that the rules under which political parties compete

should be changed. Just to give you an example; elections should be held by districts. Each representative should come from a specific district. As things stand now, representatives answer to the whole nation for their behavior, which in fact means they answer to nobody.

[Levenberg] You have mentioned that the popularity of the opposition is not very strong, but Fujimori's popularity is also declining ....

[Del Soto] Yes, you are right. His popularity is gradually declining. The initial iron-clad support for his government has become flimsy.

[Levenberg] To what do you attribute this?

[Del Soto] I attribute it to the lack of an alternative; in that if we were to tell a Peruvian citizen that Fujimori is to relinquish the presidency to a run-of-the-mill politician, he would certainly tell you that he would rather have Fujimori in spite of his many shortcomings.

[Levenberg] The government is under fire from all sides on its policy to crack down on terrorism ....

[Del Soto] Fujimori may not have stamped out terrorism but he should be given credit for promoting the peasant patrol system and for giving it weapons. He is a resolute person. Unlike previous presidents, Fujimori is very active, he does things. Should he step down there is not a single up-to-date person to fill the breach, and Peruvian citizens are afraid lest some politician from bygone days take over.

[Levenberg] Do you think Peru will be able to weather the crisis with Alberto Fujimori at the helm?

[Del Soto] That is very difficult to forecast. President Fujimori has his good points; otherwise I would not have worked for him at the beginning. When he took office, he did not approve of stabilization programs, but after he explained what they were about, he adopted them. That shows he has the courage of his convictions, for it would have been easier for him to continue with the previous program, which, after all, was the one he committed himself to adopt. However, he had the guts to change and that is most positive. He is not afraid of attacking obsolete structures. Still, he has been unable to rise to the challenge confronting Peru of late. It is not enough to be a good president: Peru needs an outstanding president.

[Levenberg] What criticisms do you have of Fujimori's administration?

[Del Soto] On 5 April, Fujimori staged a self-inflicted coup and established what we could call a soft dictatorship [dictablanda], because public liberties have been preserved. According to what he said then, Peruvian institutions had stopped functioning and had to be changed. When the time came to implement the changes, he failed to do so. Needless to say, he lacks the intellectual, manual, and mechanical mechanisms to fit out the whole apparatus of government. He also lacks the skills to establish what he says he wants to set up.

Fujimori Continues Regional Working Tours

PA0809213192 Lima Panamericana Television Network in Spanish 1200 GMT 7 Sep 92

[Text] President Alberto Fujimori is continuing his working tours of the country's rural areas. On 6 September he visited various cities in Piura, where he presented agricultural machinery such as tractors, trucks, and other equipment to peasants in the region. The president was accompanied by Agriculture Minister Absalon Vasquez.

[Begin Fujimori recording] First I must explain that, as president of the Republic, I could not fail to be present at a ceremony for the turnover of agricultural machinery, particularly when it is financed with the generous support of the Japanese Government. [applause]

My presence also reflects my solidarity with those who struggle daily against all kinds of difficulties in the economic, credit, climate, marketing, and other spheres. I refer to farmers. Therefore, I would like you to interpret my presence as my most sincere and respectful tribute to the farmers of the Grau region. [applause]

Nevertheless, the attention paid to the urgent problems of the region, particularly of the agricultural sector, should not move us away from the sentiment that you all express, a recognition of and profound gratitude for the support that is constantly extended by the Japanese Government and people, and which today is demonstrated by these magnificent agricultural machines that I am pleased to turn over to diverse rural groups. [end recording]

'Constitutional' President San Roman Interviewed

PY0509231792 Santiago EL MERCURIO in Spanish 16 Aug 92 p C19

[Interview with Maximo San Roman, "Peruvian constitutional president," by correspondent Magdalena Ossandon; place and date not given]

[Excerpts] [passage omitted] [Ossandon] To what extent did your life change after the self-inflicted coup on 6 April [date as published]?

[San Roman] I am still the same as I was before I joined the administration and after I became part of it as vice president and president of Congress. I believe that power is a passing thing, and in this regard my life has not changed. [passage omitted]

[Ossandon] Who planned this coup together with Fujimori?

[San Roman] A group of his closest advisers, and I believe that unfortunately they have taken even Fujimori by surprise.

[Ossandon] Did any members of the Armed Forces participate as well?

[San Roman] All I can tell you is that the defense minister, General Malca, did not know about the coup. He was taken by surprise together with the other ministers. The only ones apparently involved in it were the Army chief of staff, General Nicolas de Bari Hermoza, and Fujimori's private adviser Vladimiro Montecinos, who is known for his contacts abroad.

[Ossandon] Do you believe that the Peruvian president intends to gradually democratize the country?

[San Roman] It is my duty to tell my people the truth, even if I am labeled as insane or an adventurer. I happen to know that Fujimori does not intend to run the country for five months, but for 18 or more years.

[Ossandon] You do not believe in Fujimori's agenda to lead the country to democracy?

[San Roman] He never practiced democracy. His plan was to take everyone by surprise. He set up Change 90 simply to get elected. Once he got elected, he destroyed the party by arbitrarily expelling the secretary general and the organizational secretary of Change 90 and replacing them with unconditional supporters. He has pushed aside those who have backed him up in his quest for the presidency. He mistakes democracy for fingering [dedocracia].

[Ossandon] What exactly do you mean by fingering?

[San Roman] It means to appoint people at will. Look here... He closed down Congress, the judiciary branch, the comptroller's office, the bank superintendency, and has "fingered" substitutes without any reasonable motive.

[Ossandon] Do you believe that Fujimori wants to retain the presidential sash beyond 28 July 1995?

[San Roman] I have heard from people who have worked on Fujimori's project that he plans to institute a dictatorship that will last no fewer than 18 or 20 years. I have courageously opposed this, and I believe that we can make him back off and look for a democratic solution.

[Ossandon] What do you think about the elections for the new congress that will be held on 22 November, as Fujimori has announced?

[San Roman] I do not believe in these elections. I do not believe that they will take place. All the attitudes of the de facto government are directed toward creating a good impression abroad, and making the Peruvian people believe that it is willing to hold a dialogue. Down deep, however, the government is not interested in a dialogue. Mr. Fujimori himself has established the rules of the game regarding the composition of congress, without paying any heed to the political parties. I believe that Fujimori is merely trying to gain some time to strengthen his dictatorship. [passage omitted]

[Ossandon] What about the strong support the citizenry has given to Fujimori and to the coup (80-95 percent)?

[San Roman] My people are living in an illusion. I believe that whenever the people are promised that corruption will be eradicated, terrorism fought against, and the ineffectivenes of certain political parties (especially as far as overindulgence and political patronage goes) tackled, they lend their support. They fail, however, to notice the true intentions of the dictatorship. They do not realize that there is something else behind all this.

[Ossandon] This "something else" is Fujimori's desire to stay in power for 20 years?

[San Roman] That, for one thing. The other thing is that drug traffickers have a lot of power in my country.

[Ossandon] Fujimori, however, is not involved in drug trafficking.

[San Roman] His adviser Montecinos, however, is involved. Even Fujimori publicly acknowledged this to the press.

[Ossandon] How can Fujimori, who is fighting drug trafficking, have an adviser who is involved in this activity?

[San Roman] You will have to ask that of Fujimori. I have pointed out to him many times the harm that this connection is doing to the country and to the president. Despite all this, the president has publicly acknowledged Montecinos' involvement in drug trafficking and in the defense of drug traffickers. [passage omitted]

[Ossandon] Do you believe that Fujimori has exhausted all the legal and constitutional instruments to overcome the crisis?

[San Roman] He never wanted to and never did. He never engaged in a dialogue.

[Ossandon] You would have been in favor of the country going on as it had before the coup?

[San Roman] My reasons for getting involved in politics—as a businessman who realizes that his country is not being properly managed by traditional parties—was that I wanted a change. That is why we set up Change 90 and offered honesty, technology, and hard work. I fulfill all three conditions, and I will not betray them at any time.

[Ossandon] Are the Armed Forces united in their support for Fujimori, or are there internal splits with only the top echelons supporting him?

[San Roman] Like the rest of Peru, the coup took the Armed Forces by surprise. Now that four months have gone by and nothing at all has been solved, while the situation is getting worse, they must be thinking it over. I cannot tell you what they are thinking, but I believe they are greatly concerned over the situation, just like the rest of the Peruvians. [passage omitted]

Former 'Subversives' Surrender, Seek Protection

PA0409150992 Lima Panamericana Television Network in Spanish 0300 GMT 4 Sep 92

[Text] The surrender of more than 20 subversives who wish to rejoin society has been confirmed. The incident occurred in San Jose de Sisa in San Martin and, according to local authorities, there is another large group that is ready to do the same. We have a report by our correspondent Adolfo Fasanando:

[Begin recording] [Fasanando] So far, 22 Tupac Amaru Revolutionary Movement [MRTA] members have voluntarily surrendered to the Army in San Jose de Sisa. This has occurred due to Decree No. 25499, which decreases jail terms for those who have repented for their acts of terrorism.

Panamericana Television was an exclusive witness to the surrender of 18 MRTA members.

The surrender became possible thanks to the courageous attitude of the authorities in the San Jose de Sisa valley, especially that of Justice of the Peace Walter Cuzcano.

[Cuzcano] They are coming to us voluntarily. They expect to receive special treatment, particularly regarding medicines and food. They also want their security guaranteed. Most of them were militiamen, but have now repented. They came to surrender voluntarily as men, Peruvians, and residents of San Jose de Sisa who want progress for the people. They know that this evil, known as subversion, is practically a sign of regression.

We are guaranteeing their situation so their lives will be respected. These youths have thought it over and surrendered. They have promised to join society and to work. They do not want any difficulties or persecution. They have their families.

[Fasanando] This is a large group. As mediator, do you have any knowledge of another group that wants to surrender?

[Cuzcano] I have been holding talks with two leaders of Alao and Chatoja and it is estimated that approximately 40 to 60 rebels will take a similar step.

[Fasanando] The former MRTA members want guarantees for their lives and that of their relatives. They hope to get support. They even hope to get support from the president.

[Unidentified rebel] We are unknown to some people. For one year and four months we were members of the MRTA's militias. We have been repressed and persecuted. We have realized, however, that this was not good and since the government offered reconciliation, we gathered our militia and came to the military command.

[Second unidentified rebel] We want the government to support us in everything. We want the Army to check us every five or eight days. This is what we want.

[Fasanando] You mean you want security.

[Unidentified rebel] Yes, we want security for our lives.

[Fasanando] Do you feel safe staying in the same region or do you want to go somewhere else?

[Unidentified rebel] We do not want to leave. We want to remain in our town, the Sisa valley.

[Fasanando] Now, the group of former MRTA rebels are being taken to the San Jose de Sisa base. They are jogging to the base accompanied by Army members, here in San Jose de Sisa. [end recording]

According to the military sources, due to these surrenders, suspected guerrillas attacked the Army and National Police base in San Jose de Sisa early on 3 September.

Shining Path Kills 15 for 'Protection Money'

PA0609044892 Lima Panamericana Television Network in Spanish 0300 GMT 6 Sep 92

[Text] At least 15 people were killed [victimadas] on the afternoon of 5 September by Shining Path terrorists for refusing to pay protection money after the vehicles they were traveling in were intercepted on a highway at Rancha, 19 km from Ayacucho. Before leaving, the terrorists torched 10 vehicles, including buses of the Trasmar, Ormeno, Molina, and Huamanga Companies.

Army and police units were deployed from Huamanga to pursue the subversives who are apparently trying to reach the area of (Chilico) River to escape from the security forces. Two policemen, whose identities were not revealed, are among the casualties.

Car Bomb Explodes Outside Lima

PA0609180192 Mexico City NOTIMEX in Spanish 1655 GMT 6 Sep 92

[Text] Lima, 6 Sep (NOTIMEX)—The Peruvian police have reported that seven persons died and 13 others were seriously injured when a car loaded with explosives detonated at a gasoline station on the outskirts of northern Lima. The victims include policemen and civilians.

The attack was carried out by six men and two women. The police have reported that the eight are members of the Shining Path. The attack took place at the Las Vegas Service Center, on km 22 of Panamerican Norte Highway, in the populous district of Los Olivos.

The heavily armed attackers subdued the gasoline station employees, took the money, and escaped on foot. They left behind a pickup truck loaded with approximately 200 kg of amfo [a mixture of amonal and gelatine dynamite] and dynamite.

Five civilians and two policemen died as a result of the violent explosion. Ten drivers who were waiting for fuel

were seriously injured by shrapnel. Three members of a police patrol that arrived at the site in response to an alert were also injured.

The police report states that the car bomb exploded 20 minutes after the Shining Path militants "pretended that they were robbing the station so that the employees would call the police."

Firemen early this morning were able to control the big fire that ensued and prevented it from reaching an underground fuel tank. Had the fire reached this tank, at least six blocks would have suffered.

Meanwhile, 10 [as received] persons were killed by Shining Path columns that machine-gunned and set fire to five buses and four private pickup trucks on a road near the city of Ayacucho, 580 km southeast of Lima.

The Political-Military Command of that emergency region has issued a communique stating that the attack took place on the afternoon of 5 September at a place known as Huayllapata, Socos District, Huamanga Province, approximately 20 km from Ayacucho.

According to witnesses cited by the local media, the attackers, whose force has not been established, blocked the winding road and after forcing the bus passengers to step out, they arbitrarily separated some and executed them with a shot in the head.

* Briones on State of Emergency, Human Rights

92SM0571A Lima EL PERUANO in Spanish
24 Jul 92 p A-6

[Interview with Interior Minister Juan Briones Davila by unidentified correspondent; place and date not given]

[Text] Under the antisubversion strategy implemented by the government, citizen participation by means of urban and rural patrols is a decisive factor in achieving the yearned-for pacification, after 12 years of terrorist insanity. In this regard, the interior minister, General Juan Briones Davila, provided in this interview some important insight about pacification and the work that is being done in his sphere to carry out this task to the fullest.

[EL PERUANO] For 12 years, terrorism has been creating a climate of violence and destruction, doing great personal harm and causing tremendous property damage. What is the Interior Ministry doing to counteract the subversion?

[Briones] The spiral of violence that the subversives would like to make permanent in order to achieve their nefarious objectives is something that is constantly being studied at the highest levels of the ministry and the government itself. Emergency measures have been adopted with a view toward eradicating this type of violence in the short term, while at the same time guaranteeing the full observance of human rights.

So far, the actions undertaken by military and police forces to destroy the sources of insurrection have not been very successful, but a good effort has been made, considering the limitations of human and economic resources. Moreover, the populace has not been directly or permanently involved in the struggle because it has only recently realized the importance of its participation in national pacification.

[EL PERUANO] Since the 1980's, many areas of our country have been almost continually declared to be in a state of emergency. Does this mean that terrorism is advancing?

[Briones] The fact that parts of our country have been declared to be in a state of emergency is simply a preventive measure to control possible abnormal situations in critical places. We use the appropriate legal recourse for this purpose.

The state of emergency is also declared when there are natural disasters or serious developments affecting the life of the nation. Nevertheless, in the case of sporadic disturbances of the peace by terrorist criminals, military and police forces intervene quickly to restore public order and peace.

In no way can the state of emergency be regarded as a "thermometer" of the terrorists' advance, but neither can we believe that they are sitting on their hands. For this reason, it is imperative that all Peruvians come together to reject and combat those who use social demands as a pretext for committing all kinds of atrocities, threatening the human rights that they are so insistent upon.

[EL PERUANO] Many divisions of your ministry are located in desolate spots in the interior of the country and do not have the minimum conditions for guaranteeing the security of the local population. Is there any plan to solve this problem?

[Briones] It is true, there are outposts, police stations, medical centers, and political representatives' offices that are not adequately equipped. The only way to keep in contact with them is through correspondence that takes place once or twice a month. These are inhospitable places where our men go to carry out the selfless mission that the state has assigned to them, taking them away from their families and often exposing them to constant risk.

In this regard, we are cooperating on an ongoing basis with international agencies to provide the necessary resources for the various entities of this ministry. In this irregular war we are waging with Shining Path and other terrorist organizations, we need not only brave men who are willing to lay their lives on the line to do their duty, but also the most modern equipment to enable us to surpass the terrorists and neutralize their actions.

[EL PERUANO] What measures are you adopting in response to the accusations of international agencies that human rights are being violated?

[Briones] It is undeniable that the country is in a state of violence caused by the terrorist groups, who want to use terror to lead the population into a situation of widespread violence, causing death and destruction of the nation's property and doing away with the current system.

In this spiral of violence, the National Police must become involved to counteract the crimes and atrocities of the terrorist hordes. Under these circumstances, there are cases of disappearances, as well as deaths and violations of the other human rights, committed primarily by the terrorist groups.

As the leaders of this sector, we have adopted a series of measures designed to avoid any excesses that may incidentally be committed by the police, by reinforcing their training so that their actions adhere to a legal framework and a spirit of service and respect for individuals.

At the same time, as has been mentioned previously, Human Rights Offices have been created to take complaints about violations of individuals' rights. In addition, procedures and penalties have been established for punishing any human rights violations that may be committed by some police officers. A national registry of detainees is being created to provide rapid and accurate information to verify the situation of detainees throughout the national territory.

* Development Objectives Stated; Bickering Noted

* Woodman Interviewed

92SM0573A Lima EL PERUANO in Spanish
24 Jul 92 p B-11

[Interview with Arturo Woodman, president of the National Compensation and Social Development Fund, by Marco Aquino Rodriguez; place and date not given]

[Excerpts] In a surprising interview, Arturo Woodman Pollit, president of the National Compensation and Social Development Fund (Foncodes), revealed that this institution has $140 million for the rest of the year. The money is earmarked for school and medical clinic construction and irrigation, water, and sewage projects, which will generate approximately 100,000 jobs. In this way, the well-known businessman, who is also president of the National Society of Exporters, will put his management skills to work in Foncodes to support social projects. This demonstrates that philosophy and pragmatism can go hand in hand if there are specific goals and the desire to work. Here are his statements. [passage omitted]

[Aquino] Does Foncodes already have a budget for 1993?

[Woodman] The Social Support Program will continue, because between now and the end of the year the country will not yet have emerged from the recession as a natural result of the economic stabilization. In this regard, with an economic recovery projected for 1993, the government's budget will allocate a large sum of money to alleviate this situation. On the other hand, we have more than that. Friendly countries have a tremendous desire to work together with Foncodes. Right now the European Economic Community, the Inter-American Development Bank (IDB), the World Bank, and Germany have offered $170 million.

[Aquino] When will this offer from countries and financial institutions materialize?

[Woodman] That will arrive by the beginning of next year, but in the next few days we expect to receive $5 million from Germany, Switzerland, Holland, and Spain. The money will be used for projects in the City of Cusco, in a program called Preves. The total cost of the program is $10 million, and Foncodes will cover the remaining $5 million.

[Aquino] You have mentioned that the projects to be carried out will be small and medium-sized. How much money is expected to be spent in each case?

[Woodman] Foncodes' job is to support those who are in extreme poverty by employing manpower in remote villages. That is why we plan to invest $20,000 in small projects, expanding schools and medical clinics. The medium-sized projects will require an investment of approximately $100,000 and will involve the construction of irrigation systems and water and sewage projects. It should be noted that Foncodes has begun construction on windmills in Huacho and Pisco to pump water. Each mill will be able to draw 50 cubic meters of water per day, making it possible to irrigate four hectares and raise livestock. [passage omitted]

[Aquino] Is it Foncodes' policy to decentralize its operations?

[Woodman] This agency is decentralizing; for example, it has installed regional offices made up of the head of the region, a community or district representative, a local political representative (who may be the prefect), and a Foncodes representative. Just today (yesterday), we visited the Arequipa region and opened offices that will allow us to mobilize quickly and effectively.

[Aquino] Finally, sir, what measures are being taken to supervise the foreign donations that have been announced?

[Woodman] To demonstrate that we are operating above board, we have contracted with the prestigious auditing firm Price Waterhouse for consulting work. Thus, foreign donors will be assured that their funds will be properly managed.

* Resignation Rumored

92SM0573B Lima SI in Spanish 3 Aug 92 p 26

[Text] Arturo Woodman, a businessman involved in construction and a close associate of Bolona, has warned "the Japanese man" (that is how he refers to Fujimori) that he will resign as president of the National Compensation and Social Development Fund (Foncodes) if the Government Palace or any other entity insists on meddling in the affairs of his institution.

Woodman's discontent stems from several factors. First, the government has issued Decree Law No. 25638, published on Saturday 25 July in the official gazette, authorizing Foncodes to grant financing for individual projects budgeted at 400 Tax Reference Units (URT) or less. Each URT is pegged at 1,040 new soles.

Before this decree law, the authorization was for only 200 URT. The strange thing is that Woodman is more surprised than anyone about the decree, because he simply did not ask to raise the amount. SI has learned that not only Bolona but also Absalon Vasquez [agriculture minister] and "The Exalted Brother" (Santiago Fujimori) have set their sights on Foncodes, hoping to use it to support various projects that they are sponsoring.

Those in the "molinero" sector [which consists of those who attended the National Agrarian University at La Molina] believe that Bolona is waging an all-out political campaign and is conspiring against Alberto Fujimori with an eye on a "different future."

Absalon, who is known by the nickname "Moroco" [shaved head] because of his recent haircut, is reportedly also on the campaign trail.

Meanwhile, "The Exalted Brother" is still guarding Fujimori's rear.

At any rate, raising the amounts is a ploy to lend more support to pet projects, such as that of Elva Rios, a public relations employee of the Agrarian University who is now in charge of Coopop [National System of People's Cooperation]. Last Friday, under pressure from "The Exalted Brother," Foncodes had to transfer 80 million new soles to Coopop to enable that agency to continue operating on a national scale.

Elva Rios was the one who convinced "The Exalted Brother" to release the money to her, despite the objections of Bolona, Jalilie, and Woodman himself. Santiago Fujimori has said that "when the captain is in charge, sailors do not give orders."

Secondly, the UN Development Program (UNDP) has forced Foncodes to hire Adolfo Navarro, a Bolivian poverty expert, to advise Woodman on setting up the institution.

This man, who is said to have visited Peru exactly once and who stayed at a hotel in Miraflores, is paid $550 a day, in addition to travel and room and board. People at Foncodes are wondering what could be learned from someone who, according to his resume, only knows about mining projects.

The funds for paying his tidy little salary come from the IDB, but that money had been earmarked for Foncodes. The "boliche" [nickname for Bolivians] is only the first one to come to Lima. The UNDP project calls for hiring a total of 22 "experts," all of them Bolivians earning the same rate of pay, for an as-yet undefined period of time.

This turn of events spells disaster for Woodman and even Bolona, who also wanted to put in several consultants. And whatever happened to austerity?

Venezuela

British Home Office Secretary Arrives

PA0809125992 Caracas Venezolana de Television Network in Spanish 1600 GMT 7 Sep 92

[Text] British Home Office Secretary Kenneth Clarke arrived in Venezuela on 7 September. During this working visit, he will meet with his Venezuelan counterpart, Interior Affairs Minister Luis Pinerua Ordaz, Foreign Minister Fernando Ochoa Antich, and members of the ministerial narcotics commission to explore the possibilities of establishing broader bilateral and international cooperation in the struggle against drug trafficking.

Among other activities, Secretary Clarke will attend an official luncheon with the heads of organizations charged with fighting this scourge. In addition, he will hold a joint news conference with Pinerua Ordaz at the Interior Ministry.

Talks on Counternarcotics Fight

PA0809131592 Caracas Venezolana de Television Network in Spanish 0000 GMT 8 Sep 92

[Text] Venezuela continues its struggle against drug trafficking. On 7 September, Venezuelan Interior Minister Luis Pinerua Ordaz and British Home Office Secretary Kenneth Clarke reaffirmed their commitment to the 1991 UN agreement to fight drug trafficking.

They confirmed, in a document, mutual cooperation between the United Kingdom and Venezuela to vigorously combat drug trafficking, which has become the greatest scourge against humanity in recent years. They also agreed to organize seminars for Venezuelan policemen so that the British officials can make known their experiences in the investigation of drug trafficking to help Venezuela stop being a bridge for drug trafficking.

[Begin recording] [Clarke in English with passage-by-passage translation into Spanish, in progress] ...in recent months the Venezuelan authorities have seized tons of cocaine and in April of this year we were pleased to be able to seize a ton of cocaine in Liverpool.

[Pinerua] We are trying to improve our police forces and we are interested in using the experience of other countries. We have much to learn from them, as is the specific case of Great Britain. [end recording]

Kenneth Clarke will be meeting with all the police chiefs to implement operations to prevent drug traffickers from shipping drugs from Venezuela to Europe.

Meets With President Perez

PA0809172292 Caracas Venezolana de Television Network in Spanish 1600 GMT 8 Sep 92

[Excerpt] [passage omitted] The UK Home Office secretary met with President Carlos Andres Perez and briefed him on the UK's activities in the struggle against drug trafficking. He also praised the president for having preserved democracy.

[Begin recording] [Unidentified speaker] The secretary congratulated the president for having preserved the country's democratic system.

[Clarke, in English, with passage by passage translation into Spanish, in progress]...and finally, we both agreed, despite all the problems we all face, that Latin America as a whole is at the moment going through very important changes with democracy and reform and economic growth in many countries. [end recording]